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NEWPORT, R. I.

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Some Phases of the Sino-Japanese Conflict  
(July-December, 1937)  
Compiled from Records of the CinC Asiatic.

by

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Author

Captain W.A. Angwin, (MC) USN

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The President

Naval **NC3/A12**  
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No.

NAVAL WAR COLLEGE

NEWPORT, R. I.

*CP*

1939-33

20 March, 1939.

FROM: The President, Naval War College.  
TO: The Commander in Chief, ASIATIC FLEET.  
Subject: "Some Phases of the Sino-Japanese Conflict."  
Reference: (a) Cinc Asiatic Fleet letter A12(75-86) of  
10 February, 1939.

1. The President, Naval War College acknowledges with thanks the receipt of two copies of subject document forwarded under reference (a).

C.P. Snyder.

*Archives* *MSK*

In Reply Refer

**UNITED STATES ASIATIC FLEET**

To No.

**U. S. S. AUGUSTA (Flagship)**

A12(75-86)

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MAR 17 1939  
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Manila, P. I.  
10 February, 1939.

**From:** Commander in Chief, U. S. Asiatic Fleet.  
**To :** The President, Naval War College.

**Subject:** Pamphlet on Certain Phases of the Sino-Japanese Conflict.

**Enclosure:** (A) Two (2) copies of subject pamphlet.

1. The enclosed pamphlet (Enclosure A) on certain phases of the Sino-Japanese conflict has been compiled from the records of the Commander-in-Chief, Asiatic Fleet. Copies are forwarded as being of possible interest to the President, U.S. Naval War College.

*R. F. McConnell*  
R. F. McCONNELL  
Chief of Staff.

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CC: OpNav (5)  
US Fleet (5)  
SupNavAcad (1)

CP  
1939-33-1

SOME PHASES OF THE SINO-JAPANESE CONFLICT.

( July to December, 1937 )

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\* \* \*

Compiled from the records of the  
Commander in Chief, Asiatic Fleet,  
by Captain, W. A. Angwin, (MC), U.S.N.

\* \* \*

Shanghai, China  
December, 1938

\* \* \*

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## P R E F A C E

The Sino-Japanese Undeclared War has been productive of - and continues to provide - incidents and situations that are of more than passing interests to naval officers on duty on the Asiatic Station. A number of these occurrences, - some of a minor character but others of grave import, - have come into direct opposition with the announced policy of the United States and hence against the supporting policy of the Commander in Chief, U. S. Asiatic Fleet.

Much documentary material of historical interest bearing on these clashes of policy and on the related phases of the hostilities is being accumulated in the record section of the Fleet Staff. It was with the thought in mind to make some of this material more readily available, that this compilation was undertaken. Care has been taken to make the text an accurate transcript of the many documents consulted; much of it has been lifted bodily from the original sources. The scope of this pamphlet is limited to the events occurring during the first six months of the 'war'.

In perusing this record, it must be kept in mind that it is not a history of the Sino-Japanese 'war', but is a recital of those events and circumstances of that conflict that impinged themselves upon the policies of the United States, and thus became matter of concern to the Commander in Chief, Asiatic Fleet.

American Policy in Far East. The American press of 27 August, 1937, carried this news item: "President Roosevelt and Secretary of State Hull have adopted an American policy of standing adamantly on all American rights of property and person in the Far Eastern crisis.

"The policy provides that:

(1) this Government will not surrender any property or personal rights in China;

(2) adequate military and naval forces will be kept on hand strictly in nature of police to protect legitimate and established American rights in both categories wherever they are threatened;

(3) full indemnities will be demanded for damage to American citizens or American property incurred by military forces of either side;

(4) while all American citizens are being urged from a purely practical standpoint to leave danger zones, United States will not surrender any of its rights for protection of American lives or property in China.

"This policy should not be mistaken for any intention on the part of the United States to permit itself to become involved in the

Sino-Japanese war. Presence of American militaries in the war area is purely for police purposes wherever necessary. They will not be used for any punitive or retributive military purposes after damage has been inflicted. In short, the United States has no intention of going to war with either China or Japan in event of damage to American citizens or property, but instead will demand redress and indemnities through orthodox friendly diplomatic channels."

Admiral Yarnell enunciated the policy of the United States Asiatic Fleet on 22 September, 1937:

"The policy of the Commander in Chief during the present emergency is to employ U.S. Naval forces under his command so as to offer all possible protection and assistance to our nationals in cases where needed.

"Naval vessels will be stationed in ports where American citizens are concentrated and will remain there until it is no longer possible or necessary to protect them or until they have been evacuated.

"This policy based on our duties and obligations will be continued as long as the present controversy between China and Japan exists, and will continue in full force even after our nationals have been warned to leave China and after an opportunity to leave has been given.

"Most American citizens now in China are engaged in businesses or professions which are their only means of livelihood. These persons are unwilling to leave until their businesses have been destroyed or until they are forced to leave due to actual physical danger. Until such time comes, our naval forces cannot be withdrawn without failure in our duty and without bringing great discredit on the United States Navy.

"In giving assistance and protection our naval forces may at times be exposed to dangers which will in most cases be slight, but in any case these risks must be accepted."

W. A. A.  
Shanghai, China  
December, 1938.



## CHAPTER I

### Foreword on Events occurring just prior to Outbreak of Hostilities.

Without going backward too far into the long history of Sino-Japanese relations and the continuing deadlock over the settlement of any of the political issues between the two countries, it suffices to review briefly some of the more recent occurrences, none of which has helped to improve the situation. In June, 1937,\* "the possibility of breaking the long-standing deadlock seemed if anything to lessen because of the attitude of the Japanese on whom chiefly depends the trend which relations of the two countries will take. On the Japanese side relations seemed to be influenced by (1) the forming of the new (Konoye) cabinet, which necessitated further reconsideration of Japan's China policy x x x, (2) apparent abandonment of the liberalism with which the former Japanese Foreign Minister, Mr. Sato, attempted to reorient Japanese policy, and (3) the Anglo-Japanese conversations in London which might conceivably influence the general situation in the Far East. x x x Any hopes which might have existed of a moderation of Japanese aims in China and change in policy for their attainments were dissipated by Mr. Kawagoe's (the Japanese Ambassador) statements to the press prior to leaving Tokyo (for his return to China, June 25). According to press reports, he stated that: (1) China must be brought to full recognition of (a) Japan's right to expansion and (b) the 'inevitable relations between Manchukuo and North China'; (2) the Tangku Truce (1933) and the alleged Ho-Umetzu agreement (1935) could not be abrogated; (3) Japan would continue to deal with regional authorities in the north in regard to economic developments there. These statements x x x manifested a reversion by the Japanese Government to at least two 'points' of Mr. Hirota's former 'three point policy' toward China. x x x

"The disparity between Japan's and China's views was brought into sharp relief by the interviews given June 25 by Mr. Kawagoe described above, and an interview granted Japanese pressmen in Nanking a week earlier by the Chinese Foreign Minister. Dr. Wang was insistent that the settlement of political questions, including the return of East Hopei to Chinese control, must precede settlement of economic questions, x x x Chinese opinion had come to regard as minimum requisites for rapprochement with Japan the abolition of the East Hopei regime and cessation of smuggling into North China, irregularities which developed from conditions created by the Tangku Truce.

"Apprehension that the Japanese military might take independent action to solve the Sino-Japanese deadlock was revived by the appearance of a statement in the press June 26 attributed to the Kwantung Army Headquarters in which the Chinese press was 'warned' against

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\*All quotations in this chapter are from American Ambassador N. T. Johnson's Political Report of June, 1937 to the Secretary of State.

'repeated publication of malicious and groundless reports, reflecting upon the prestige of Japanese troops and stirring Chinese sentiment against Japan and Manchukuo'. Some disquiet was also caused toward the close of June in Peiping by rumors of possible disorders being created by disgruntled Chinese and Japanese nationals or by plainclothesmen organized by a 'certain country', causing the Chinese authorities to take special precautions against such eventualities."

"It was evident that the National Government was seeking to increase its influence in various aspects displeasing to the Japanese in the area of the Hopei-Chahar Political Council. x x x In some aspects the Government's influence seemed completely ineffective with the result that observers in Nanking were of the opinion that the Government fearing to take positive action which might create a crisis and concerned more with immediately pressing problems affecting its existence, was actually letting Hopei slip farther from its grasp'

"Probably the development most alarming to Japanese was the establishment of supervising offices for the selection of delegates to the People's National Assembly. These offices were established under the principal governments of Hopei and Chahar and the special municipalities of Peiping and Tiensin, with Sung in charge." (General Sung Che-Yuan, Chairman of the Hopei-Chahar Political Council had gone to western Shantung early in May ostensibly to visit ancestral graves and had not returned by end of June. His continued absence was displeasing to the Japanese, who regarded it as due to a desire to avoid (1) their representations for collaboration with Japanese economic plans, and (2) their representations against compliance with attempts of the National Government to increase its influence in Hopei. General Chinese opinion was that Sung was agreeable to increased influence of the Government because he realized the futility of going against the general trend in China. His continued absence was embarrassing for both sides).

There were several other instances in which activity of the National Government in North China was displeasing to the Japanese: its refusal to sanction the operations of the Japanese-controlled Tiensin-Tokyo airline, its order prohibiting the leasing of land to foreigners which eventuated on June 2, in the burning of 3 small structures on a farm near Tiensin leased by Japanese; its initiation of physical and military training of students in Peiping schools; and its increasing influence in relations with the authorities of Shantung, Shansi and Suiyuan Provinces; to mention a few of the instances and activities which were subversive to Japanese interests in the North. In other parts of China also, incidents were accumulating, such as the Swatow incident of 23 May, in which the Japanese alleged the Chinese police beat and illegally detained a Japanese consular policeman; and the detention of the Japanese geologist in Hupeh on 31 May, in which one Dr. Sato was held incommunicado for five days by the Chinese military and then handed over to the Japanese Consul at Ichang.

Thus, at the end of June, 1937, the tension between the two countries had reached a point where any incident, however seemingly trivial, might be made the excuse for breaking the political deadlock and transferring activities into the military field.

## CHAPTER II

### The Lukuochiao Incident

This apprehension was amply justified. On the night of 7 July, the deadlock in Sino-Japanese relations was broken when Japanese troops, ostensibly on night training maneuvers, clashed with soldiers of the 29th Chinese Army at Lukuochiao (Marco Polo Bridge), a strategically important point about 10 miles west of Peiping. Casualties occurred on both sides.

Negotiations for a settlement were begun at once, and, on evening of 8 July, an agreement was reached whereby Chinese Army garrison was to withdraw from Wanpinghsien across Marco Polo Bridge, and be replaced by Peace Preservation Corps troops; the Japanese to retire to Fengtai. During the changing of troops in accord with this agreement on the morning of 9 July, light artillery fire started. Both sides denied responsibility for starting this action, which continued for three hours and caused several casualties on each side. The transfer of Chinese troops was completed early morning of 9 July, but Japanese movement was not begun. It was believed by foreign observers that the success of negotiations depended on the withdrawal of the Japanese, as the Chinese felt they had definitely given ground in the dispute, claiming that Japanese occupation of Fengtai was in violation of Ho-Umetsu Treaty, and the occupation of Wanpinghsien controlling the Marco Polo Bridge by Peace Preservation Corps assured Japanese control. As Japanese objective was attained, the incident appeared to be temporarily settled.

While the incident appeared to be settled, inquiry into the cause of the conflict by ALUSNA seemed to indicate that the Japanese had for a long time desired control of the strategically valuable Marco Polo Bridge, and that the incident was created.

It was apparent by 10 July that the Japanese had decided to use the outbreak as a pretext for extension of Japanese influence in North China. Reinforcements for their troops began to arrive in Tiensin from Shanaikwan beginning on the afternoon of 7 July and were increasing rapidly from day to day. On 10 July, ALUSNA reported that the Japanese in force attacked Chinese at Marco Polo Bridge.

A truce was established that night, and on 11 July, an agreement was reached between the Japanese military and General Chang Tzu-Chung, Mayor of Tiensin and Commander of the 38th Division of the 29th Army, who was pro-Japanese. According to Japanese sources the truce provided for (a) Chinese apology, (b) punishment of Chinese officers responsible, (c) assurances for the future, comprising voluntary retirement of Chinese officials in North China who obstruct Sino-Japanese cooperations, expulsion of Communist elements from that district, control of Blue Shirts and other organizations hostile to Japan, control of education in the schools, cessation of anti-Japanese propaganda and

(d) withdrawal of the 37th Division from Peiping.

By 14 July practically all the Japanese troops ordinarily stationed in Tiensin had been sent to the Peiping area and, with reinforcements which replaced them at Tiensin, there were approximately 12,000 in North China or about twice the number present on 7 July.

On the 12th, one Japanese division was enroute from Manchukuo, and a second on its way from Japan, with another prepared to leave. By the 17th, Japanese troops in this area were estimated at 20,000, with 60 planes.

These Japanese reinforcements in the north impelled the Chinese Government to concentrate troops in Southern Hopei. On 9 July, General Chiang Kai-Shek announced that he was despatching troops to North China. On the 14th, four Central Government divisions began moving toward Paotingfu, Hopei Province, and preliminary mobilization of an Air Force was ordered.

Diplomatic discussions were carried on during this same time.

The Counselor of the Japanese Embassy, Mr. Hidaka, advanced the view that (1) North China was a special, almost independent, region, (2) whatever occurred there was no proper concern of the National Government, which had been acting 'illegally' in attempting to augment and nationalize the 29th Army, (3) the Lukouchiao incident could be settled only by negotiations with regional authorities and the National Government should not interfere. The Chinese Government stated that while China was obliged to defend herself, she was ready to settle her differences with Japan by any of the pacific means known in international laws and treaties. The Japanese Government voiced the impression that the Chinese Government and particularly Chiang Kai-Shek did not realize the gravity of the situation in North China, and if the Chinese Government, in disregard of the Ho-Umetzu agreement of 1935, despatched troops into North China, the Japanese military would take whatever measures they considered necessary and any eventualities would be the responsibility of the Chinese Government.

The press released on 20 July a lengthy statement by General Chiang Kai-Shek dated 19 July, in which the Generalissimo (1) reviewed the situation and the Government's policy; (2) accused the Japanese of desiring to (a) expand the Tangku Truce and enlarge the East Hopei regime, (b) drive out the 29th Army, (c) force out General Sung Sheyuan; (3) stated that (a) the Lukouchiao incident was premeditated by the Japanese, (b) if China gave up the Marco Polo Bridge (Lukouchiao), Peiping would now become a second Mukden and Nanking a second Peiping; and (4) defined China's position by 'four points': (a) any settlement must not infringe upon China's territorial integrity and sovereign rights, (b) no illegal alteration would be allowed in the status of the Hopei-Chahar Political Council which was fixed

by the Central Government, (c) China would not agree to the removal by outside pressure of local officials, such as the chairman of the Council, who were appointed by the Central Government, and (d) China would not permit any restrictions upon the position held by the 29th Army. General Chiang stated that these constituted the minimum conditions possible as a basis for negotiations and that while China sought peace, it did not seek peace at any cost and might be forced to defend itself.

General Chiang's statement indicated clearly that out of the dilemma which had faced him since May 1935, he had chosen a definite course: resistance. He chose the course which would save his own and the country's self respect.

While these discussions were being carried on by the diplomatic offices, several skirmishes occurred in the neighborhood of Wanping-hsien with minor casualties. By the 20th Chinese were reported to have approximately 90,000 troops in the areas east and south of Paoting, and Japanese to have increased their number by 3,500.

It was generally believed that Nanking's support of the North was not wholehearted prior to the proclamation of the Generalissimo on the 19th, but that this was having a profound effect throughout China, probably closing the door to retreat.

The Japanese still considered the reply of the Chinese Government to their demands as unsatisfactory.

## CHAPTER III

### The Fall of Peiping

Events moved rapidly during the next few days. Japanese bombing and other military planes began flying over Tiensin on 21 July. By 24 July, the Chinese claimed that all contingents of the 38th Division had withdrawn from the Papaoshan area, but apparently this was not true and two companies of Japanese troops also remained in the Lukouchiao area.

ALUSNA reported on 22 July, that a partial withdrawal of the 27th Division was underway with replacements by the 132nd Division in accordance with Japanese request, but that no movement of Japanese troops had been made, although agreed upon, and no withdrawal was likely.

On the 24th, it was reported that tension was decreasing and that new arrivals of Japanese troops had ceased, with an estimated total from Manchukuo of 10,000. Lukouchiao was still under Japanese patrol, although a few of their troops had returned to Fengtai. It was believed that agreements were being reached between the two sides, with Japan insisting upon military control of the lukouchiao area, thereby strengthening its grasp on Peiping communications, and that the situation would be solved locally, without reference to the Nanking Government.

Fighting broke out again on the evening of 25 July. At Langfang, a station on the railway midway between Tientsin and Peiping, a detachment of some 200 Japanese attempted to occupy the railway station. The Chinese resisted and Japanese resorted to aerial bombing of Chinese positions. It was felt in Peiping that this clash would end the apparent deadlock in negotiations and result in further Japanese advance and demands.

On the 25th, a clash occurred at Changyimen (west gate) of Peiping, when a detail of 300 Japanese troops in trucks attempted to enter the city, ostensibly as members of the Embassy Guard. When half were through the gate, a dispute arose, the gate was closed and Chinese on the walls fired upon the Japanese below, killing two. Later, the detail was permitted to proceed to the Embassy. The Japanese issued an ultimatum that they would attack the Chinese positions in the Peiping area unless the 29th Army withdrew from Peiping by noon of 28 July. The ultimatum included a demand that the Chinese 37th Division withdraw from Lukouchiao vicinity to westward of the Yungting River by noon of the 27th and evacuate their positions north of Peiping by noon of the 28th. Notice was given to neutral Powers that the city would not be bombed.

These demands of the Japanese were rejected by the Chinese authorities on the afternoon of 27 July (according to the Chinese Foreign Minister, the demands by this time included one for the retirement of Chinese troops from the Peiping area to Paoting, south Hopei.)

That night the Foreign Office at Nanking issued another statement reviewing the situation and ending with a pronouncement that China had exhausted efforts for peace, and responsibility for future developments in North China rested solely with Japan. Also that evening, the National Government telegraphed instructions to General Sung to resist the Japanese and Sung was reported to have already issued orders to that effect to the 29th army. The headquarters of the 37th Division at Hsiyuan, from which the troops had already withdrawn, were bombed during the night.

The Peace Preservation Corps (Chinese) at Tungchow revolted July 28, killing more than 200 Japanese nationals, including women and children and including also most of the Japanese garrison, which numbered about 50. Japanese reinforcements, aided by bombers, attacked the Peace Preservation Corps the following day and drove away those of the Corps who were not killed. Chinese civilians of Tungchow suffered heavily, not only as a result of bombing but also, according to reputable observers, because the Japanese military shot down Chinese who were suspected of being involved in the revolt.

On the morning of 28 July, the situation became highly critical when Japanese planes heavily bombed Peiyuan and Hsiyuan, north and west of Peiping, where troops of the 37th Division were stationed, and Nanyuan, where troops of the 38th Division were stationed. As a result of this activity, the 37th Division stationed in and outside of Peiping departed during the night of 28-29 July, and proceeded southward. The entire Chinese resistance in the vicinity of Peiping had collapsed.

General Sung Che-yuan left Peiping during the same night for Faoting. The collapse of Sung's regime and the withdrawal of his troops marked the end of the military phase in the old capital.



## CHAPTER IV

### Protection of American Nationals in Peiping Area

When hostilities opened near Peiping on the evening of 7 July, the Marine Detachment was employed in its usual routine of target practice. As no particular anxiety was felt over conditions in the city, this target practice continued to completion on the 9th. By the 11th all marines had returned to the Embassy compound.

During this time the city was quiet and under so-called martial law with curfew at 2000. Trains to and from the city had stopped running. It was generally believed that the incident would be settled quickly by negotiations between the local Chinese and Japanese commands.

The first episode in which American nationals were involved occurred on the evening of 20 July, when two American women were mistreated by the Japanese sentry at Water Street Gate of Japanese Embassy. The senior officer of the Japanese guard expressed regrets and explained that the incident was due to over zealous action of the sentry when the two women did not move promptly past the sand bagged entrance. The episode was considered satisfactorily settled.

Plans for bringing American nationals into the Legation Quarter and billeting them in the Legation Compound were drawn up for use in the emergency. The number of American nationals involved were reported as 254 men, 286 women, and 187 children under 12 years of age, a total of 727 in Peiping and the immediate environs.

On 27 July the situation was reported as tense due to clash occurring at Chang Yi Men (West Gate). At a meeting of all diplomatic representatives and military commanders at the American Embassy that night it was decided to call all foreign nationals into the Legation Quarter before 1200 28 July. The Japanese had issued an ultimatum that unless the 29th Chinese Army had withdrawn from the city by 1200 28 July, the Japanese Army would attack the city.

On the morning of 28 July, private Julius F. Fliszar, a member of the Marine Mounted Detachment of the Legation Guard, was wounded in the right thigh by Chinese rifle fire, while he was on duty notifying American nationals to repair to the Legation Quarter. These nationals began coming in during the early morning. By mid-afternoon, 259 United States nationals were housed under canvas in the Legation Compound and were being subsisted by the Marine Detachment. About 500 either preferred to remain at their own homes or took temporary residence in the hotels and boarding houses of the Legation Quarter.

With the collapse of Chinese resistance on 29 July, the situation soon eased. The Staffs and Guards of the various Embassies,

including the Japanese, cooperated in defensive measures for the International Zone. There appeared to be no immediate danger.

By the 2nd of August, the situation had cleared. The Chinese troops had all departed from the vicinity of Peiping, and normal conditions in the city were restored to a considerable degree. After consultation between the American Embassy and the Commandant of the Guard, it was decided to permit all United States nationals, so desiring, to return to their own domiciles.

The concentration camp in the Legation Compound and billeting of Americans in the Legation quarter was discontinued on the afternoon of 3 August.

## CHAPTER V

### U. S. S. AUGUSTA from Tsingtao to Shanghai

In July the U.S.S. AUGUSTA was at Tsingtao carrying out her regular operations schedule. She departed for Vladivostok on 24 July for a visit of courtesy that had been planned for some time and which the State and Navy Departments desired to have carried out unless gravity of the Chinese situation demanded otherwise.

She returned to Tsingtao on 3 August.

Reports began to come in showing evidence of disturbing conditions in the Shanghai area.

On 23 July, the Fourth Marines, Shanghai, reported that the Japanese Navy Landing Force, since 15 June had been increased from 2700 to 3200 men, and had brought in a quantity of armament. On the date of report they had available 18 armored cars, 40 tanks, 250 light field guns, 3 large anti-aircraft guns, 30 AA machine guns, 76 trucks, 300-400 motorcycles, and 30 airplanes of all types <sup>scrapped</sup> and stored in Osaka Shosen Kaisa and Wayside godowns ready for use, in addition to large quantities of gas, machine guns, hand grenades and ammunition.

These munitions were augmented on 4 August by 36 7-centimeter guns, landed from the IDZUMO.

On the afternoon of 9 August, sublieutenant Ohyama of the Japanese Landing Party and a seaman chauffeur, were killed while riding in a motor car near the entrance to the Hungjao aerodrome, which was being guarded by members of the Chinese Peace Preservation Corps. A Chinese sentry also was killed. This incident caused tremendous excitement, the Japanese declaring that the killing was deliberate and uncalled for; the Chinese maintaining that the Japanese attempted to enter the aerodrome. These widely divergent claims were never reconciled, altho there were discussions looking toward a "diplomatic settlement".

On 11 August, the Japanese brought 4 light cruisers and 6 destroyers to Shanghai and 6 destroyers to Woosung. Troop reinforcements of 1400 men disembarked from these ships at Shanghai on the 12th.

The evacuation of Japanese civilians from upriver ports and coastal ports had been proceeding apace according to plan. On 1 August, the Japanese Consulates at Chungking and Ichang were closed; the last remaining Japanese nationals departing downriver. On 2 August, the evacuation of Swatow was completed. On 8 August, the last of their nationals had departed from the Yangtze, the Concession at

Hankow was handed over to the Chinese police and their river gunboats departed for Shanghai. The interior of China was cleared of all Japanese subjects.

Consul General Okamoto on the 12th, presented four demands to Mayor Yui of Shanghai: that 1) the Peace Preservation Corps be withdrawn from so-called "demilitarized zone"; 2) Merchants Volunteer Units be disbanded; 3) All anti-Japanese organizations in the city be disbanded; and 4) local publications cease printing anti-Japanese propaganda.

On the other hand, the Chinese had not been idle. In the opinion of many well-informed neutral observers, there was no doubt that the Chinese National Government had determined upon making Shanghai, rather than North China, the main theatre of a war of resistance against Japan. \*"Having reached that decision, the National Government moved swiftly toward hostilities. The area around Shanghai had long been prepared by the Peace Preservation Corps for occupation in a military way. The Peace Preservation Corps itself had been substantially augmented and given heavier armament." Some several hundred plain-clothes soldiers on the 7th began working at night on entrenchments in the Kiangwan-Julong area. This military activity caused a large number of civilians, estimated at 50,000, to take refuge in the Settlement from areas north of Soochow Creek.

Large units of the Chinese 88th Division were reported on the 12th arriving at the North Station and taking stations in the demilitarized area. Five thousand troops were reported at Kashing and 10,000 at Soochow. The Chinese Shanghai Municipal Government moved its offices to Minghong.

A barrier across the Yangtze, at mileage 85 near Chinkiang, was closed on the 12th by the Chinese Senior Naval Officer on the Yangtze who warned that traffic on the river was unsafe. The Central Government officially informed foreign ambassadors of this closure and the suspension of all navigation in that section of the river. On the 13th, the Whangpoo was closed by a barrier upriver from the French Concession.

A joint commission met at Shanghai on the 12th in an unsuccessful endeavor to persuade both parties to a mutual withdrawal of forces.

The tension had now become so great that the Shanghai Municipal Council ordered mobilization of the Volunteer Corps and requested American and British Consuls to make troops available for emer-

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\*From Report of American Consul General, Shanghai, to Secretary of State, 30 September, 1937.

gency. On the 12th, the Fourth Marines, under command of Colonel Charles F. B. Price, USMC, took up dispositions in Sector C, pursuant to the defense plan. (The Fourth Marines at this time numbering about 1050 officers and men, were reinforced on 16 August by 112 officers and men comprising the marine detachment and the ship's machine gun company from the USS AUGUSTA, and on 19 August by 250 marine officers and men brought up from Cavite on Tres. Hoover. On 19 September, the Sixth Regiment and Headquarters of the Second Brigade, U.S. Marines, numbering 1435 officers and men under command of Brigadier General John C. Beaumont, USMC, arrived from Marine Corps Base at San Diego, Calif. on USS CHAUMONT and USS MARBLEHEAD. Upon reporting of this regiment, the officers and men from USS AUGUSTA returned to their ship.) The USS SACRAMENTO moored off the Shanghai Power Company's Yangtzepoo plant and sent a marine detachment ashore to guard the property. The American Consulate advised American nationals residing in northern and outlying districts to move to places of greater safety.

Desultory firing between Chinese and Japanese outposts began on the morning of the 13th, both sides denying responsibility for firing the first shots.

The USS AUGUSTA departed Tsingtao at 1140 on the 13th and arrived at Shanghai at 1604 on the 14th, mooring at bouys 36-37, opposite the Standard Oil Company installation.

## CHAPTER VI

### Bombs over Shanghai

While the U.S.S. AUGUSTA was underway from Tsingtao to Shanghai, the U.S.S. SACRAMENTO, at 1000 on the morning of 14 August, reported that a flight of Chinese planes appeared over Shanghai and dropped bombs in the region of Chapei, one bomb falling in the river about one mile upriver from that ship. A second flight followed 20 minutes later, with a bombing attack close to the Power Company's plant. The terrified Chinese civilian population tried to force its way past the gates of the Power Company's compound. The U.S.S. SACRAMENTO landed its entire landing force to protect the property. The furor subsided without any damage being done. The exodus of frightened humanity which had been streaming across Soochow Creek bridges into the comparative safety of the Settlement south of the Creek, now became a wave, a solid mass of struggling people, striving to run from the unknown terror. Estimates of the number of refugees that poured into the Settlement and French Concession varied from 500,000 to 1,000,000.

In the early afternoon of the same day, shortly before the U.S.S. AUGUSTA arrived, two bombs were dropped by Chinese planes, in what appeared to be an attempt to hit the IDZUMO, at that time moored alongside the jetty of the Japanese Consulate. These bombs unfortunately, and with tremendous disaster, fell at the junction of Nanking Road and the Bund. One hit the roof of the Palace Hotel and penetrated to the fifth floor where it exploded with terrible destruction of life and property; the other glanced off the cornice of the Cathay Hotel to fall and explode in Nanking Road between the two hotels, where a crowd of curious onlookers was gathered to view the war in the air. More than 100 were killed and many others wounded, including several foreigners, among them three Americans. The fronts of buildings adjacent to the explosion were badly damaged.

Shortly thereafter, another appalling disaster occurred when a large bomb fell and exploded in the street at the intersection of Avenue Edward VII and Route Montigny, one of the most populous corners in the city, made more so by the curiosity of the people watching the planes. This catastrophe cost the lives of about 1000 people, besides wounding many others. The property damage was great, but **not** irreparable.

After due investigation, the Chinese Government made public announcement of its responsibility for these two bombings, stating that the latter bombing was an unavoidable accident, due to the injury by anti-aircraft fire of the bomb-releasing mechanism of the plane.

Prior to her arrival at Shanghai, the U.S.S. AUGUSTA sent a des-

patch to the American Consulate requesting that the Chinese authorities be informed of the time of arrival and place of mooring, and stating that "American flag will be displayed on forward turret. Request Chinese aircraft be advised not drop bombs that vicinity."

At 1640, while mooring wires were being secured from the bow of the AUGUSTA to buoy 37, two foreign monoplanes, later identified as Chinese, were sighted circling in the vicinity of the ship. The log of the AUGUSTA described the incident:

"Planes commenced dropping bombs in general vicinity. At 1648 two bombs were dropped and exploded in water about 20 yards broad on starboard bow of the ship, fragments of the bomb scattering over upper decks of the ship; no personnel injured or material damage incurred. x x x 1652 broke out and spread two additional size 4 American ensigns on upper decks. Commenced painting American ensign on top of all turrets x x x.

The Commander in Chief requested the American Ambassador to make vigorous protest to Chinese Government over this bombing of an American vessel by Chinese planes, and stated: "in case of any further bombing of U.S. vessels will use anti-aircraft battery in self defense."

In his report to OPNAV, he said:

"x x x On 14 August Chinese planes made repeated bombing attacks on International Settlement including lower Nanking Road and Bund area, Shanghai Power plant and Standard Oil Company installation. Numerous civilian casualties including several foreigners reported but no casualties naval personnel. Serious fire started Asiatic Petroleum installation. Attacks made on SACRAMENTO and AUGUSTA although both vessels plainly marked with American flags. Probable that all these attacks were intended for Japanese Consulate General and flagship Third Fleet moored nearby, and that SACRAMENTO and AUGUSTA were mistaken for Japanese vessels x x x."

Bombing continued on the 15th. About 1540 two bombs from a plane, indentified as Chinese, fell very close aboard the SACRAMENTO and damage one of her power boats tied up at the boom; another bomb landed in the Whangpoo, about 200 yards ahead of the RAMAPO as she was standing down river and about abreast of the SACRAMENTO. No damage was done to either ship, although the SACRAMENTO was badly shaken. It is assumed that Chinese aviators mistook the ships for Japanese vessels despite the display of national colors. The American Ambassador was advised that all U.S. naval ships were displaying not only the usual national flag aft, but also a national flag placed horizontally on forward and on after parts of the ship, that U.S. merchant ships would be directed to make similar displays, and that no reason should exist for a mistake of nationality.

Later on the 15th, the AUGUSTA moved up river to moor opposite Ewo Mill. On the 16th, she again moved up river and moored in "Navy Row", opposite the Customs pontoons.

Japanese planes began to drop bombs on Chinese positions in Chapei and beyond to the northward. These bombing attacks from both contestants went on from day to day. The Chinese were quite evidently making desperate and determined, though unsuccessful, attempts to damage the Japanese flagship IDZUMO; the Japanese bombs were being dropped in areas of Chapei, Kiangwan, Yangtzepoo and Woosung, where the Chinese Army forces had taken up positions facing the northern perimeter of the Settlement, and in Pootung where Chinese troops were said to be massing.

Each appearance of a Chinese plane was greeted by a tremendous volume of Japanese anti-aircraft fire. From the neutral viewpoint, this gun fire seemed to be poorly directed and coordinated. Chinese anti-aircraft fire was feeble and sporadic, but also poorly directed. Shells and smaller projectiles, and fragments of shrapnel, fell in many parts of the International Settlement and the French Concession, exacting daily their toll of noncombatant casualties among Chinese and foreigners alike.

As a result of the bombing and of the gun fire from the Japanese ships and from Chinese batteries ashore, numerous fires broke out in many places within the International Settlement north of Soochow Creek, and in Chapei, Kiangwan, Yangtzepoo and Pootung. Tremendous destruction of property occurred. A pall of smoke hung over the Settlement by day, while at night the glare of the many fires lighted the horizon for miles.

On 17 August, a .50 caliber machine gun projectile pierced the roof of the Fourth Marines Regimental Hospital and wounded Pharmacist's Mate third class Floyd Arnold in the thigh. The wound was not serious.

Many fragments of shrapnel fell on the decks of the AUGUSTA and in the river nearby. Quite a few projectiles of .25 to .30 caliber were found imbedded in the deck, and at least two .50 caliber bullets were picked up on board.

On the 20th, at 1836, a high explosive anti-aircraft projectile, of about one inch diameter, hit the well deck of the AUGUSTA and exploded in the midst of a number of enlisted men who were beginning to assemble for the regular evening movie program. Seaman first class Freddie J. Falgout was instantly killed by a fragment of shrapnel which pierced his heart. Seventeen other men were wounded, fortunately none seriously.

The Commander in Chief informed Admiral Hasegawa of the occurrence and requested that he use every possible effort to keep Japa-



nese vessels from firing in the direction of the foreign men-of-war at the Naval buoys. The Japanese Admiral replied that he was sure the shell in question had not come from any Japanese ship as he had given instructions to exercise care to avoid firing in the direction of neutral vessels.

The Commander in Chief, through the American Consulate, also notified the Chinese authorities of the incident and requested that great care be observed by the Chinese forces not to fire into the area between the Nantao barrier and Soochow Creek.

The evidence adduced at the Board of Inquiry tended to indicate that the shell was of Chinese manufacture, and as two Japanese planes were flying in the vicinity at the time, it was probable, but not conclusive, that the shell was fired by Chinese forces. No evidence was brought out to show intentional firing upon any neutral vessel. In fact, both sides had publicly expressed their intention to avoid any injury to ships of neutral Powers. The location of neutral men-of-war at the Naval anchorage between Nantao barrier and Pootung Point placed them in the center of anti-aircraft operations of the opposing forces, of which there has been a great deal, especially from the Japanese. As many noncombatants in the International Settlement and French Concession had been killed or injured by stray shrapnel or bullets, the Board considered it rather remarkable that more casualties had not resulted aboard the AUGUSTA.

On 23 August, at 1256, an 18" bomb hit the roof of the Navy Godown on Szechuen Road, but fortunately failed to explode. It pierced the third and second floors and broke into pieces on the ground floor. At the time, a large silvered monoplane, identified as a Douglas passenger plane, had been observed by the AUGUSTA bridge, flying over the Settlement at about 10,000 feet altitude. The plane was observed to release two bombs. At about 1256, a few moments later than the above, another bomb fell on the Nanking Road front of Sincere and Company's department store, where it exploded. Terrific damage was done to the front of this building and to Wing On's store across the street. Nearly all the large windows were blown in and several hundred people inside the store were either killed or injured. Many score casualties occurred in the street below.

The American Consul General, in reporting the incident to the Secretary of State, remarked that the weight of available information suggested the likelihood of Chinese responsibility. He hinted that there were some who honestly believed that the Chinese deliberately desired to involve the foreign Powers in their trouble. He believed that world opinion would condemn China if evidence of Chinese responsibility continued to accumulate.

The U.S. submarine S-37 reported that at 0250 in the morning of

27 August, a bomb from an unseen plane exploded in the water 200 yards away while the S-37 was at anchor off Middle Ground buoy in the Yangtze River. The national colors were displayed, both horizontally and vertically, and were illuminated by powerful flood lights. No damage was reported. Strong representations were made to the Chinese Government by the American Ambassador, and to the Japanese Consul General at Shanghai by the American Consul General, requesting that orders be given their respective aviators not to drop bombs at unidentified or neutral vessels.

On 30 August, the S.S. PRESIDENT HOOVER entered the estuary of the Yangtze River on her way to Shanghai to take on board American evacuees. At 1740, while at anchor two miles north of the Yangtze entrance light ship, seventeen miles off the coast and about fifty miles from Woosung, awaiting the tide, she was hit by bombs and extensively damaged. Six members of the crew and three passengers were injured; one of the crew died despite first aid assistance rendered by H. M. S. CUMBERLAND.

An eyewitness stated that at about 5:15, three Chinese planes appeared and began dropping bombs. Eight or nine bombs were dropped. Three bombs fell on or close to the ship. Several minutes later two Japanese planes appeared and drove off the bombing planes. The HOOVER was lying with the sun shining on her starboard side so that her marking and the American flag were very distinct. The weather was clear and visibility excellent. There were no Japanese war ships or transports within seven or eight miles of the HOOVER. The Italian S.S. CONTE VERDE was passing outbound about a mile away and the Shanghai pilot boat about two miles away. The H.M.S. CUMBERLAND was within sight. These three ships went to the immediate rescue of the HOOVER. Two Japanese destroyers arrived at the scene about 30 minutes later.

One of the bombs hit on the upper deck, about four feet from the after smoke stack, shattering first class cabins on the deck below. Another bomb exploded when hitting the water near port mid-ship section, driving about 25 shrapnel holes in the hull above the water line. Two other bombs struck in the water about 50 feet fore and aft of the ship causing heavy concussion and vibrations. The Master of the HOOVER, Captain Yardley, reported that the ship could proceed, and the Commander in Chief directed that she continue to Kobe, Japan. The scheduled visit to Shanghai was cancelled.

The attack was immediately protested to the Central Chinese Government, which promptly admitted its responsibility and agreed on reimbursement for damages. In a letter to the American Embassy, the Ministry of Foreign Affairs stated: "x x x As a result of an immediate investigation of the incident, it was found that a Chinese airplane mistook the PRESIDENT HOOVER for a Japanese military transport and dropped two bombs which unfortunately hit the vessel. I

think I need not assure you that nothing is farther from the minds of the Chinese aviators than to direct any deliberate attack on any American ships. x x x"

"The Chinese Government which feels most regretful for this deplorable incident, accepts full responsibility therefor and is ready to take immediate steps for making amends."

The HOOVER incident prompted the Commander in Chief, on 30 August, to make a protest to the American Embassy at Nanking:

"The bombing of the PRESIDENT HOOVER this evening by what were reported to be Chinese planes, coupled with the previous incidents with regard to our naval vessels, seems to demonstrate either an amount of inefficiency, ignorance or lack of control by higher authorities of Chinese aviators which renders these planes a greater menace to neutrals than they are to the enemy. The PRESIDENT HOOVER was anchored in the open sea, two miles north of the Yangtze entrance light vessel and seventeen miles from the Chinese mainland. Her arrival at Woosung on August 31 had been announced to the Embassy and presumably to the Chinese officials. The HOOVER is a distinctive type of vessel, entirely unlike any of those of Japan and could have been recognized by any aviator of even the most elementary training. There were at the time in the Yangtze River, many Japanese transports and men-of-war above Woosung, which it seems, would be the natural target for Chinese planes. Since August 13th Chinese planes have bombed the AUGUSTA once, the SACRAMENTO twice, the RAMAPO once, and the Submarine S-37 once. Conversely, only one bombing attack has been witnessed on the large number of Japanese vessels anchored in the Whangpoo River. Until this menace of bombing of our vessels by Chinese planes is removed, it is not possible to bring merchant vessels into the Yangtze River or into this general area to remove our nationals to a place of safety. I would appreciate your opinion whether the authorities in Nanking have any control over the activities of their planes and whether the training and discipline of the aviators are such as to insure their observance of instructions, if received. I am extremely reluctant to issue any orders to our naval vessels to open fire on Chinese planes, but there is a limit to our forbearance which is rapidly being reached."

On 31 August, at a conference between the Commander in Chief and the American Consul General, it was considered advisable, in view of the bombing of the PRESIDENT HOOVER, to discontinue directing American merchant ships to come to Shanghai for purpose of evacuating American nationals. This decision was intended to protect the Government from responsibility for the great cost of war risk insurance and not to preclude any merchant vessel from coming to Shanghai on her own acceptance of risk involved.

The Commander in Chief, on 2 September, by despatch, advised the Asiatic Fleet: "Under present conditions neutral vessels operating in Chinese waters may be mistaken for enemy vessels and bombed by aircraft. Experience has shown that pilots of Chinese planes are very likely to make this mistake.

"When planes are in sight, which in the opinion of the Commanding Officers may prove to be hostile, anti-aircraft batteries shall be kept manned. In case U.S. naval or merchant vessels are attacked by aircraft, Commanding Officers of vessels of this fleet are authorized to open fire on them. Attention is invited to the gravity of such action and this authority should be used with the greatest care. Fire should not be continued longer than necessary to force the attacking plane or planes to withdraw to a safe distance.

"Every vessel should show both vertical and horizontal colors of largest size available where there is a possibility of being sighted by planes of either of the opposing forces."

Fortunately it was not necessary to invoke these instructions as no further bombing or menace to U.S. ships occurred in the Shanghai area.

Representations were made by Japanese Naval Command, on 2 September, requesting that the light maintained on the roof of the Shanghai Power Co. plant, be extinguished as it was an aid to the Chinese in their night aerial bombing activities on the lower Whangpoo. The reply of the American Naval Command was in substance that, inasmuch as the Power Company was an American property, guarded by a detail of U.S. Marines to insure its protection and a continuation of its important service which it renders to the community, it should be marked both by day and by night, so that both Japanese and Chinese forces operating in the vicinity can recognize it and respect its neutrality, in the same manner that the Standard Oil Co. installation on the right bank of the river, and the American destroyer at the Standard Oil pontoon are marked both day and night.

The Chinese air force, inadequate to start with, was being relentlessly broken up bit by bit by the superior Japanese forces and finally was forced to restrict its activity to flights at night. Some of these night raids made spectacular "shows" due to the volume of defense put up by the Japanese from their ships and shore batteries. The sweep of searchlight beams, the skyrocket fire of tracer bullets, the bursting of shrapnel, coupled with the tremendous din and roar of vari-caliber guns, was climaxed only by the pyrotechnic display of the bursting bombs loosed from the Chinese plane or planes.

These night attacks ceased, only when the Chinese army finally retreated from the Shanghai area in November.

Gradually, over the weeks, the Japanese had obtained mastery of the air. Bombing attacks upon their land objectives were a daily occurrence, not infrequently, as in the later attacks on Chapei and the North Station, lasting for hours with successive flights of squadrons of bombers dropping scores of bombs. Their air activities were being carried on with an arrogant disregard of lives, property and rights of nationals of third Powers, and the lives of non-combatants.

On the afternoon of 26 August, while enroute from Nanking to Shanghai by motor, the British Ambassador, Sir Hugh M Knatchbull-Hugessen, was badly wounded by a machine gun bullet from two Japanese planes which bombed and strafed his motor car while it was about 50 miles out from Shanghai. The car was flying the British flag.

On 28 August, the Shanghai South Station at Nantao, which was crowded with large numbers of refugees waiting for transportation to Hangchow-Ningpo region, was terrifically and deliberately bombed by a squadron of Japanese planes, with more than 300 casualties, mostly women and children.

The neutral Commanders in Chief sent identical notes of protest to the Japanese Admiral and to the Mayor of Greater Shanghai on 15 September, calling their attention to the danger brought about by planes of both opposing forces flying over or close to the Settlement with the inevitable result that a large number of anti-aircraft missiles had landed in the Settlement and killed or wounded many non-combatants who were taking no part in this unhappy strife. They urged and requested that steps be taken by both contestants to prevent their planes from flying over or near the Settlement and to direct their anti-aircraft fire in such a manner as to avoid further killing of innocent non-combatants.

On 24 October, a Japanese plane made repeated dives over the Keswick Road area in the western district (British sector), firing with machine guns upon a riding party, including American nationals, fortunately without casualty, and upon a British out-post. One British soldier was killed. The British force returned the fire of the Japanese.

The Commander in Chief directed the Commanding General, Second Marine Brigade, in case of attack on the defense force or non-combatants in the United States sector by planes of any nationality, that fire may be opened on such planes in self defense.

The Japanese Government expressed its regret to the American Ambassador over the Keswick incident and stated that the necessary measures were being devised to prevent recurrence and that it was prepared to make necessary compensation in respect to injury to American nationals. There was apparent an appreciable concern over

the effect of publicizing the obvious lack of control of individual Japanese aviators by their superiors.

On the same date, Admiral Yarnell sent a strong protest to the Japanese Admiral, directing his attention to the long list of instances in which shells from Japanese guns, shrapnel from Japanese anti-aircraft fire, and bombs from Japanese planes had fallen in the sector of the International Settlement guarded by the United States Marines, with resulting loss of life and injury to non-combatants. He pointed out that Japanese planes loaded with bombs had at times flown over that part of the Settlement and he urgently requested that steps be taken to prevent recurrence of such incidents. The Japanese Admiral replied that he recognized the necessity of preventing these occurrences and gave assurance that he was directing the Japanese Naval Force to exercise greater care in the future.

No further incident of Japanese bombing involving neutrals occurred in the Shanghai area, due more perhaps to the actual subsidence of hostilities in this immediate environ than to the protests so frequently lodged with the Japanese by the neutral Powers.

## CHAPTER VII

### Evacuation of American Nationals; Disturbance of U.S. Mail Schedule; Disruption of Business by Evacuation from Occupied Areas.

The clash of arms in China at once threw into high relief the main 'reason for being' of the Asiatic Fleet: the protection of American life and property. Evacuation from zones of danger as a means of protection of life became a probability almost from the beginning of the conflict. As outlined in Chapter IV, American nationals were urged to seek refuge from possible danger in the comparative safety of the Legation Quarter of Peiping. The emergency concentration was but a natural step toward evacuation from the shores of China, in case the necessity arose. Fortunately, in this instance, the storm of conflict subsided without the necessity of recourse to this eventuality.

At Peitaiho, the usual summering place of many residents of China, a large colony, including some 400 Americans, of whom about 180 were children, found themselves suddenly marooned, cut off from communication with Tiensin and other places in the interior by the commandeering of the railroad by the Japanese for military use. This isolation occasioned some concern, so the U.S.S. TULSA, then at Chefoo, was sent to Peitaiho to investigate and report on the situation. The TULSA reported on 3 August, that while the complete rupture of train service on 29 July had caused some apprehension, this had quieted down, and the colony was functioning normally except for the temporary lack of communication. The situation was remedied by 5 August; the trains were again running, but on a much restricted schedule.

On 10 August, the Commander in Chief asked the Commanding Officer, 15th Infantry, U.S. Army, stationed at Tiensin with a detachment at Camp Burroughs, Chinwangtao, about 10 miles from Peitaiho, whether the troops at Camp Burroughs could insure protection for U.S. nationals in the Peitaiho area, and maintain communication with Peiping. In reply, Colonel McAndrews, the Regimental commander, stated communication and other conditions made it impracticable to protect Peitaiho area, as radio was the only means of communication between Chinwangtao, Tiensin and Peiping.

On 26 August, the Commander in Chief recommended to the American Ambassador that, due to difficulty and uncertainty of use of railway between Peiping and Shanhaikwan, strong representations be made to the Japanese Government by neutral Powers for free and unhindered use of this railway by their nationals.

The TULSA continued on at Peitaiho until relieved by the U.S.S. JOHN D. FORD, which advised on 27 August that transportation for

evacuation from Peitaiho and vicinity to the United States was desired by 29 Americans, of whom 23 were women or children. Later, all of these who still desired to go were evacuated on naval vessels. A U.S. navy ship remained in the Peitaiho-Chinwangtao area until the situation was no longer acute, when train service of sorts existed and regular commercial steamers had resumed their calls at northern ports.

Meanwhile, in other parts of China the situation was assuming ominous aspects, particularly in Shanghai, where, on 13 August, some exchange of fire between the opposing forces occurred.

The Chinese Ministry of Foreign Affairs on 14 August advised all Consulates at Shanghai, except Japanese, to instruct their nationals to move out of Honkew and Yangtzepoo.

By 18 August the Japanese had evacuated all their nationals and closed their consulates in the Yangtze Valley, and had withdrawn their river gunboats from the Yangtze. Japanese nationals were being withdrawn from Canton and other south China ports and from Tsingtao.

A compilation of the number of Americans resident in China was made on 13 August from such sources as were available, such as the China Year Book, Consular Reports, Intelligence summaries, etc. In many cases these estimates were not exact, due to movements of nationals within China itself, although the total was fairly accurate. This compilation showed a total of 8928 Americans widely distributed throughout the whole country. Of these 2935 were in North China, including Shangtung, 5275 in the Yangtze Valley, including Szechuen, and 720 in South China.

The evacuation of even a part of this large number of widely scattered people presented a task of considerable magnitude. Fortunately, no immediate necessity arose to require that this task be undertaken all at once. In the Shanghai area alone, there were about 4000 American citizens, not all of whom could by any means be accommodated on the limited shipping facilities available. But \*with the intensification of hostilities and the bombing of the Settlement south of Soochow Creek on what is not called 'Bloody Saturday' (14 August), with the attendant tremendous loss of life, consideration was given by the American Consular and Naval authorities to the quiet evacuation of American women and children from Shanghai. The British authorities, however, following a conference of naval, military, and consular officials, issued a public official statement on August 15th, announcing the intention to evacuate British women and children to Hongkong immediately. Because of resulting hysteria in the American community, it became necessary

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\*From Consul General Gauss' report to Secretary of State, 17 Sept. 1937.



to abandon plans for a quiet x x evacuation x x and to adopt more urgent measures. x x x" On August 16th a joint announcement was issued by the Commander in Chief, U.S. Asiatic Fleet and the American Consul General advising American women and children to leave Shanghai as rapidly as facilities were available. Preference in booking was to be given to: (a) expectant mothers, (b) women with small children, (c) women, and (d) elderly persons. Men travelling with their families were to be given consideration.

By joint order of the American Consul General and the Commander in Chief, the Dollar Line Steamship Company's local General Manager was directed to divert certain ships from regular schedules in order to carry out the plan of evacuation. Pursuant to these instructions, the PRESIDENT JEFFERSON called at Woosung on 17 August, the PRESIDENT MCKINLEY on 18 August, and the PRESIDENT HOOVER on 20 August. On these trips about 1400 Americans were evacuated to Manila.

The Consul General notified the Secretary of State of these decisions and diversions of ships and requested "that any necessary action be obtained from the Congress to support the emergency action we have taken x x x."

The Secretary of State replied that he greatly appreciated the splendid work which the agencies of the American Government at Shanghai were doing in handling tremendously difficult problems of "a delicate and burdensome emergency"; that he was in thorough agreement with the steps which were being taken; that he expected to make appropriate arrangements to cover the diversion of American ships; and that he had initiated urgent steps toward obtaining funds to meet the emergency. The American Red Cross placed \$3000.00 to the credit of the Consul General for use at his discretion.

Through the coordinated efforts of the Commandant, Sixteenth Naval District, U.S. Army authorities, the American Red Cross, and other relief agencies, this large influx of refugees, many with meagre funds, and most with extremely limited baggage, was taken care of upon arrival at Manila.

Manila, with its very restricted hotel and boarding house accommodations already normally well filled, became overcrowded. Its capacity to absorb more refugees was being strained, although plans were being made to distribute evacuees throughout the island of Luzon first, and then the other islands of the Philippines, if necessary. The Commandant, Sixteenth Naval District, reported on 26 August in reply to query of the Commander in Chief that "Camp John Hay was reserved for Army and Navy dependents. Can take about 150 more. Consultation with various authorities in Manila indicated that first class accommodation for about 1000 can be provided in hotels, private families, etc. in the city of Manila and Baguio. The U.S. Army can accommodate 2000 to 3000 as an emergency in tempo-

rary barracks; this accommodation at some posts to be at some decrease of military efficiency. In case the Manila-Baguio area is filled, investigation will be extended to Cebu, Iloilo, etc."

On 27 August, the Commander in Chief, advised the Commandant, Sixteenth Naval District, that it was not believed that many more civilians would come to Manila unless the situation took a decided turn for the worse requiring complete evacuation, but that probably about 500 dependents of naval personnel, officers and men, would be coming to Manila in the next two or three months.

With the departure of the PRESIDENT HOOVER from Shanghai on 20 August, the Dollar Line Company was informed that the diverted vessels could resume their regular schedules after arrival at Manila, but that all vessels, both on east and west voyages (except the PRES. JEFFERSON on her first return voyage) must stop at Shanghai, and that space should be reserved on east-bound ships for Shanghai passengers according to needs. It was considered that, in emergency, naval vessels present in Shanghai could take on board for several days stay, the 2000 American nationals (not counting American naval or marine personnel) remaining in the Shanghai area.

This plan of procedure was carried out for the next ten days, during which time the schedule provided for the sailing from Shanghai of Dollar Ships, west bound: PRES. PIERCE 25 August; FRES. LINCOLN 27 August; PRES. GRANT 31 August. Eastbound: PRES. HOOVER, about 29 August; PRES. McKINLEY, about 29 August. With the bombing of the PRES. HOOVER on 30 August, the Dollar Company was no longer required to visit Woosung-Shanghai, and no calls were made after that date.

In the meanwhile, the Commander in Chief, on 21 August, strongly recommended to American Ambassador the making of any part or all of Tsingtao, a sanctuary for the safety of the many Europeans and Americans now residing there, stating that if the nations most interested could unite in securing agreement to such a plan by the Chinese and Japanese Governments, it would be a Godsend to several thousand Americans and Europeans now there.

The American Ambassador replied on 23 August that "Embassies are addressing a joint note to Minister of Foreign Affairs regarding possibility of sanctuary at Tsingtao, and are requesting our Embassies at Tokyo to take similar action."

This recommendation by the Commander in Chief was based on the belief that ports such as Tsingtao and Chefoo were safe at that time, due to presence of our warships and that foreign residents in these cities were more or less segregated from Chinese areas. Also that accommodations available for refugees at Manila were limited and expensive, that Japan should not be used for evacuation except

in emergency, and that the facilities at Hongkong were barely sufficient to care for British nationals. No positive action was taken on these recommendations.

Concurrently, the Ambassador forwarded to the State Department a suggestion of the Consul at Tsingtao that a fair number of the 900 Americans in that port would leave for the United States or Manila if early and cheap transportation were available. The State Department replied that it "considers that only the most extreme emergency could justify the diversion of American flag merchant ships to Tsingtao for the evacuation of Americans. In addition to the three vessels of the Dollar Line which have already been diverted under instructions from you and the Commander in Chief, it is believed no further American merchant ships should be diverted without previous communication with the Department except in extreme emergency. In case of further such diversion of a merchant ship, arrangements must be made in Washington for the exemption from the main object for marine war risk insurance which at the present high rate may run in the case of a vessel to \$700,000.00.

"The Department raises the question as to whether in case the evacuation of Americans in Tsingtao or other points becomes necessary and merchant vessels calling there in the usual course should not be available, it would not be more advisable to have such evacuation carried through by American naval vessels."

The Commander in Chief assured the Consul General at Shanghai, under date of 26 August, that no further diversion of merchant ships would occur without approval of Washington except in case of emergency, that there never <sup>had</sup> been any intention up to the present time of diverting any merchant vessel to Tsingtao, that Tsingtao (and Chefoo) were regarded as entirely safe for the present and possibly for a considerable time to come, and that there was no urgency about evacuating nationals from these ports. Further there was absolutely no danger to merchant vessels from either Japanese or Chinese forces in visits to ports of North China, that danger in visits to the Yangtze River below Woosung or to the lower Whangpoo was very small, as the opposing forces had announced their intention to observe every precaution to prevent damage to neutral shipping, and that Naval vessels would be used to the limit of their capacity to evacuate nationals.

Based upon instructions from the States Department, the American Ambassador, on 22 August had sent a telegram to the Consulatea at Shanghai, Chefoo, Tsingtao, Tiensin and Hankow, from which the following is taken:

"22 August. In view of the possibilities (1) that hostilities in China might be prolonged, (2) that hostilities might spread to areas not affected, and (3) that present transportation facilities

might become interrupted or suspended, you are instructed to advise Americans in your district x x x to withdraw from China. This applies particularly to Americans (1) in the interior of Tiensin and Hankow Consular districts, (2) those who have recently withdrawn to Hankow and to Kuling, and those who are concentrating at Tsingtao and Chefoo. American women and children and men who can do so without great inconvenience should withdraw from exposed and remote parts of China even though the areas in which they located at present give appearance of being comparatively safe x x x."

The State Department on 25 August sent the following despatch to the American Embassy: "Department feels that the Embassy and Consulates might advantageously consider whether or not it is desirable that they give renewed emphatic advise to Americans to withdraw from various areas as soon as possible. Department realizes that some Americans will be very reluctant to follow any advise to withdraw but desires that Embassy and Consulates endeavor to continuously urge upon American nationals, whenever there is or appears likely to be substantial hazard, the desirability of withdrawing before danger becomes imminent."

The British Consul (at Nanking) inquired of our Embassy on 26 August what advice had been given to American citizens for withdrawal. The Embassy summarized the position by saying that it was the opinion of the Embassy that all American citizens in North China and in the Yangtze Valley should leave China as transportation became available. The Embassy regarded possible closing of all exits from the interior of China as being just as strong an argument for immediate departure as imminent danger from hostilities.

The British authorities had not given such urgent advice as this to British subjects since they believed that evacuation of the entire British community from any area and the consequent endangering of huge British investments seemed a very serious step.

On 28 August, the Ambassador announced that the women of the Embassy at Nanking were being evacuated to Hankow.

On 4 September, the Ambassador, very seriously considered the probability of closing the consulates at Amoy and Foochow and sent despatches to the American Consuls at those places to send final warning to Americans in the districts to proceed to designated points of concentration or remove without delay from the districts, stressing the probable future lack of commercial transportation facilities and the unsuitability of naval vessels for evacuation purposes. He stated to Amoy and substantially the same to Soochow: "When you feel that you have done everything reasonably possible to effect withdrawal of Americans out of your district, you should close your office, unless situation has changed definitely for the better, turning custody thereof to Chinese authorities."

But as the hostilities in China became more a matter of familiarity and the panic which had seized a number of people in the first days began to subside, less and less did the American nationals residing in China evince a desire to take advantage of the opportunities offered to evacuate. On 24 August, American Consuls at various key cities, such as Hankow, Tiensin, Chefoo, Tsingtao and Amoy were requested to ascertain the number of Americans desiring to return to the United States. This information was necessary in case arrangements for special ships would be required. The number of persons requesting return to the United States was surprisingly small, much below the number at first expected. The absence of actual hostilities in their areas, the resumption of commercial steamer service to northern ports, the desire to hang on as long as possible, or the feeling that their presence was necessary to render service or to protect their business interests, probably accounted for the desire of the majority to stay where their homes and business were established.

This reluctance to depart elicited a plaintive response from the American Consul at Foochow who reported on 8 September: "x x x while I have been doing everything possible to persuade Americans to leave the interior and evacuate China preparatory to closing Consulate, (Ed: The Consulate was never never closed) British Consul yesterday told meeting of British subjects that he was not leaving and hoped that they would not, and that missionaries should return to their stations in the interior."

In fact, there were definite indications that our nationals were returning to China from other countries, despite all advice; a practice which made the problem of evacuation difficult, if not impossible.

A press release, dated 2 September, by the American Consulate General in Shanghai, stated: "Inquiries have been received by the American authorities from Americans abroad from Shanghai on business or holidays, and, in a few instances, from American women and children who left the port on the advice of the American authorities, as to whether the situation is now such as to make it possible for them to return here.

"The American Consulate General, acting in consultation with the Commander in Chief, states that it is most inadvisable for American women and children to return here to reside until conditions become stabilized.

"There has been no objection to the return to Shanghai of men who have business or other interest here requiring their attention."

American Consul Scott at Kobe reported to the State Department on 15 September, that his efforts to keep Americans out of the

Chinese trouble zone were only partially successful at Kobe because, (1) relatively large numbers of Americans were unwilling to regard warnings and advice on China trouble and in some cases had even proceeded when their passports were invalidated, and (2), the Chinese Consulate General was non-cooperative and frankly stated it would visa any American passport regardless of whether it bore an endorsement invalidating it for China; while Japanese were cooperative to the extent of extending full information to the Consulate, but of course were under no obligation to refuse passage.

On 4 September, the State Department advised its Consular representatives: "The course and nature of future hostilities is of course unpredictable but there are signs which can not be ignored that the conflict is widening and may be of extended duration. To the Department it appears that Americans (and other foreigners) in China must expect that their normal activities will be seriously disturbed and be subject to interference and that at almost any time their lives may become imperiled. This statement is in the opinion of the Department applicable not only to large cities in China but to smaller centers as well. Although remote parts of China may for the moment seem to be comparatively safe the declared intention of the Japanese military to bomb all Chinese military encampments and the possible appearance from time to time of uncontrolled soldiers or bandits especially at points in the interior would be a constant source of danger to any Americans remaining at such points.

"Under circumstances such as those the likelihood is that governmental functioning will become less effective, that disorders will become more prevalent, that communications will be interrupted & that travel will become extremely hazardous.

"The Department has given serious thought to the fact that Americans now resident in China have their established occupations in that country and that withdrawal would mean serious dislocation of their work and would entail heavy sacrifice. However the Department is of the opinion that over the course of the next few months Americans in China will, as hostilities continue, be faced with a situation in which their work will - regardless of the choice they may make in regard to evacuation - necessarily be disturbed if not rendered impossible of continuance.

"The American Government desires to fulfill its responsibilities toward all American citizens. We feel that the most appropriate and practical method of fulfilling those responsibilities at this time is to point out to American citizens in China the hazards of the situation and to inform them that the American Government is at present in position to facilitate their withdrawal from China by means of naval vessels. We feel that American residents in China should be advised to avail themselves of these

facilities while they are available. This advise to leave China applies of course only to the period during which the unusual hazards of the present situation obtain.

"Such decisions as American citizens may make must of course be on their own responsibility. American governmental agencies will continue to do everything practicable to facilitate the evacuation of American nationals but we cannot guarantee definite safety of those who do elect to remain in China under present conditions."

Despite the evident lack of interest on the part of the residents themselves, the Navy proceeded with its plans for evacuation. In order to make transportation facilities more readily available for resident civilian nationals when and if the emergency should arise in disturbed areas, several plans affecting naval dependent personnel were put into effect.

On 18 August, "in view of the evacuation of American nationals and the overcrowding of normal facilities at Manila", the Commander in Chief recommended and the Bureau of Navigation and Major General Commandant approved, that dependents of all Navy and Marine Corps personnel not already enroute to the Asiatic Station (less Guam) be required to remain in the United States until further orders, and that dependents then enroute be disembarked at Honolulu. This ban on travel of dependents from the United States was not lifted until 25 May, 1938. On the same date, he requested permission and was authorized to issue orders to officers whose tour of duty expired prior to January 1938, so that dependents of these officers could be sent back to the United States at once, if they so desired. On 24 August, authority of the Bureau of Navigation was granted to issue transportation to the United States to dependents of all officers and men, at discretion of the Commander in Chief.

On 2 September, the Navy Department advised the Commander in Chief that the State Department considered it advisable to evacuate all naval personnel when practicable in order to make transportation available for resident Americans when the emergency arose. On 5 September, the Commander in Chief issued the following despatch:

"Any naval vessel may be called upon at short notice to provide shelter and transportation for evacuees, women, children or men. It is well understood that men of war are not designed for the accommodation of civilians, particularly women and children. However, this eventuality, which will of necessity be of short duration, must be prepared for, and, if required, it is expected that naval personnel will gladly undergo temporary discomfort in order that the best possible accommodations may be given their civilian guests. A little thoughtfulness and patience in this respect will reflect our desire to be of service. Favorable weather conditions

and safest route should always be selected when making passage with women and children. The mission of this force in the present emergency is concerned solely with the assistance which it can render to its nationals."

The Commander in Chief informed the Asiatic Station that, in furtherance of the Government's policy to evacuate all United States citizens from disturbed areas in China where practicable, all naval dependents would be evacuated as early as possible. The evacuation of naval dependents would be obligatory and not a matter of personal choice.

With the discontinuance of the Dollar Line Ships calling at Shanghai and in the absence of any other American flag commercial transportation, the navy proceeded to carry out evacuation by using naval vessels. The scheme called for transportation of all American civilians who desired to leave, and all naval dependents. The policy of the Commander in Chief was declared:

"The policy of the Commander in Chief during the present emergency is to employ U.S. Naval forces under his command so as to offer all possible protection and assistance to our nationals in cases where needed.

"Naval vessels will be stationed in ports where American citizens are concentrated and will remain there until it is no longer possible or necessary to protect them or until they have been evacuated.

"This policy based on our duties and obligations will be continued as long as the present controversy between China and Japan exists, and will continue in full force even after our nationals have been warned to leave China and after an opportunity to leave has been given.

"Most American citizens now in China are engaged in businesses or professions which are their only means of livelihood. These persons are unwilling to leave until their businesses have been destroyed or until they are forced to leave due to actual physical danger. Until such time comes, our naval forces cannot be withdrawn without failure in our duty and without bringing great discredit on the United States Navy.

"In giving assistance and protection our naval forces may at times be exposed to dangers which will in most cases be slight, but in any case these risks must be accepted."

The U.S.S. GOLD STAR, which had been diverted from its usual routine schedule and ordered to Shanghai for use in evacuation, sailed from Shanghai on 3 September, proceeded via Tsingtao and



Chefoo, and arrived at Kobe, Japan, with 122 women and children booked for passage on commercial ships bound for the United States. Fifteen of these passengers had been brought to Chefoo from Tanku by the U.S.S. JOHN D. FORD for transportation on the GOLD STAR. On her return from Kobe, the GOLD STAR picked up 16 nationals at Chefoo, 91 at Tsingtao and 16 at Shanghai for passage to Manila. At the expiration of this round trip, the GOLD STAR was released to carry on her regular duties.

On 9 September, the Commander in Chief notified the American Naval Attache at Peiping that "due to crowded conditions in Manila, evacuation of naval dependents from Peiping will be on voluntary basis for the present."

The U.S.S. SACRAMENTO sailed from Shanghai on 13 September with 24 passengers for Hongkong where booking for the United States had been arranged for them. This ship remained at Hongkong until 26 September, acting as Station Ship to provide shelter and a place to live for women and children evacuated from the Yangtze Valley via the Hankow-Canton railway. She then sailed for Manila with 15 passengers.

The U.S.S. POPE was sent from Tsingtao to Haichow on 19 September and brought 19 evacuees back to Tsingtao.

By mid-September, it was considered expedient to evacuate naval dependents from Tsingtao, although there was no evidence of a dangerous or serious situation in that area at the time. Any American nationals who desired to leave, were also evacuated. On 20 September, the U.S.S. CANOPUS left that port for Manila, carrying 104 women and children. On her return, she touched at Shanghai and Tsingtao, and carried 103 nationals to Kobe for further transportation to the United States. For this trip, the U.S.S. FEARY brought 8 passengers from Tanku to Chefoo, and the U.S.S. MARBLEHEAD brought 21 (including the FEARY'S 8) from Chefoo to Tsingtao to contact the CANOPUS there.

Returning from Kobe on 15 October, the CANOPUS sailed for Chefoo where she embarked 65 passengers, then 3 at Tsingtao, and sailed from Shanghai on 25 October with 72 nationals for Manila.

On 28 September, the U.S.S. PECOS departed Chefoo with 26 passengers, picked up 4 at Tsingtao and 18 in Shanghai, all bound for Manila.

On 12 October, the U.S.S. PARROTT departed Foochow with 3 American women and children for Hongkong, where the U.S.S. ASHEVILLE took them on board and cared for them until the sailing of the PRESIDENT JEFFERSON.

The U.S.S. CHAUMONT, which had arrived at Shanghai from the United States on 19 September with 1400 marines to augment the force ashore in that city, was diverted to evacuation duty. She proceeded at once to Chefoo and sailed from that port on 26 September with 296 passengers, some of whom had been brought to Chefoo from Tanku on a second trip of the PEARY. At Tsingtao, the CHAUMONT took aboard 161 additional passengers, 32 at Shanghai, and 10 more at Hongkong. The total list of 498, mostly women and children were disembarked at Manila on 6 October.

The CHAUMONT returned to Shanghai from Manila and sailed on 20 October with 30 passengers, embarked 38 at Tsingtao (on this and the preceding trip, evacuees from Haichow were brought to Tsingtao on a destroyer to embark on the CHAUMONT) and 55 at Chefoo, some of whom had been brought down from Chinwangtao on the U.S.S. JOHN D. EDWARDS. The CHAUMONT sailed on 23 October from Chefoo for Yokohama where these passengers were disembarked on 27 October, for further transportation to the United States.

Upon the completion of this trip, the ships of the U.S. Navy had carried from Chinese ports a total of 1426 American citizens, of whom about 95 percent were women and children.

On 2 November, the CHAUMONT made a routine trip around the Station, touching at Chefoo, Tsingtao and Hongkong, before departing for Manila. On this trip, all American nationals desiring to evacuate, were embarked. At the conclusion of the trip, the CHAUMONT was released from evacuation duty.

This program of evacuation by means of naval vessels unfitted for the purpose, required an expenditure of \$6295.00 for additional equipment, such as mattresses, bedding, towels, and mess gear, not contemplated in the ordinary budget. The local purchase of these items was authorized by the Navy Department. The State Department agreed to reimburse the Navy for its prorated share of the cost based on the number of civilian refugees carried. Civilian refugees were required to pay a per capita charge to the American Consulate to cover the estimate prorated cost of these items.

Because the evacuation of naval dependents was obligatory, the State Department allowed the Navy \$10,000.00 to be used by the Commander in Chief to reimburse navy dependents for this extraordinary expenditure. The unexpended balance of this fund, amounting to \$4153.00 after the evacuation was over, was applied to the cost of the equipment mentioned above.

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Advantage was taken of the trips of U.S. Naval ships to Japan to pick up, direct from the Dollar Line Ships, the United States mail destined for Shanghai and North China ports. Owing to the disruption of service of American steamers to Shanghai, routing and

delivery of this mail had become very uncertain. At first, an attempt was made to have North China mail transferred at Hongkong from Dollar Line Ships to naval ships, but the postal authorities there insisted that, by the Postal Convention, unless the mail was transferred direct from ship to ship, it must be considered as mail in transit and sent to the nearest port in China - that is, Canton. One large batch of mail was actually handled in this way and it was weeks before any of it arrived at Shanghai. Much of it never was recovered. By mid-September, this complication was ironed out and mail was held in Hongkong to await ships sailing direct for Shanghai, but no special transit was ever accorded United States mail by the Hongkong postal authorities.

The Japanese postal authorities insisted that through mail landed in Japanese ports must be turned over to the Japanese post office, but at the same time they refused to assume responsibility for forwarding it to its destination in China.

It was believed by U.S. Embassy, Consular and Naval Officials that their special mails were most safely handled by naval vessels. United States mail service between Japan and Shanghai by naval ships was continued on a regular schedule until February, 1938, when the U.S.S. JOHN D. FORD made the final mail trip, departing Shanghai on 3 February and returning on 17 February.

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One of the serious effects of evacuation in the Shanghai area was the dislocation and disruption of business of foreign nationals whose business was in the region north of Soochow Creek. With the outbreak of hostilities, that part of the International Settlement north of Soochow Creek, entrusted by previous agreement to the Japanese for purpose of common defense, was closed to entrance of nationals of other Powers. The evacuation of this area became a matter of necessity and expedition. No time nor permission was given for the removal of goods from godowns or chattel from homes. Many persons came out with only the clothes they wore.

This assumption of control of one part of the Settlement infringed on the rights of the Municipality to exercise its normal functions in that section of the Settlement, and disregarded the rights of residents to move to and fro within the legal boundaries of the Settlement.

A goodly number of American business men of Shanghai, whose business property was located in the Hongkew-Yangtzepoo area, made repeated requests through the American Consul General for permission to visit their properties. These requests were referred to the Japanese Consulate and some times passes would be granted, at other times refused. Passes OK'd by the Japanese Consulate were on occasion not recognized by the military sentries on the Garden Bridge. They would refuse passage of goods on the grounds that they

(the sentries) were not under the direction or control of the Consulate.

It developed that there was considerable internal discord over the division of authority between the Japanese civil, military and naval officials.

On 26 August, Admiral Hasegawa issued a notice:

"In view of the progress made in our naval operations, persons, including former residents who have evacuated, have been attempting gradually to enter or return to the Yangtzepoo and Hongkew districts.

"Inasmuch as the maintainance of peace and order in the area still leaves much to be desired, Chinese will be forbidden from entering the aforesaid areas until further notice. Foreign residents of the aforesaid districts are requested to take into account the effort being made by our forces for the restoration of peace and order and are hereby asked voluntarily to refrain for the time being from entering or returning to those districts."

The Commander in Chief, having been advised by the American Consul General that American nationals were desirous of entering the Hongkew-Yangtzepoo area at their own risk in order to get to and remove their property, wrote to Admiral Hasegawa on 29 August, calling his attention to the situation wherein American nationals were being prevented from entering the Hongkew-Yangtzepoo area by the Japanese military forces, or were gaining entrance only after experiencing considerable difficulty in obtaining passes. He said in part: "While I realize that the violence, which has unhappily so recently prevailed, has amply justified your desire to restrict traffic in the affected area to a minimum, recent improvement in conditions appears to warrant a lifting of restrictions in the cases of those who have substantial and legitimate reasons for desiring to enter these areas and are willing to do so at their own risk.

"Without recognizing any right on the part of the Japanese forces to exclude our nationals from those parts of the International Settlement, but solely to cooperate with you in your efforts to reduce unnecessary chances of injury to foreigners therein, I suggest as a method of procedure, that future passes issued by the American Consul General to these areas be accepted as sufficient basis for passes to be issued under your authority, that a definite hour daily be designated for an American Marine messenger to deliver the passes issued by the American Consul General to your representative and that the corresponding Japanese passes be delivered to the American messenger the following day x x x."

In verbal reply, the Japanese Admiral said that "they wished to

allow foreigners having homes and business there to return as quickly as possible, but they did not feel that they could allow all of them to do so at present. Since they did not know which is American property, they suggested a joint inspection by members of American Consulate and Japanese Consulate to designate American properties. With that done, if in the opinion of the American Consulate there was immediate need for opening up certain godowns, and if in the opinion of both representatives it was reasonably safe for Americans to enter the area, the question of passes could be arranged directly between the two Consulates."

On 31 August, the Japanese announced a lifting of the ban under certain restrictions, such as, that passes were good only for one day, and that while inspections of property could be made, no cargo could be removed (except personal belongings).

Still, these passes would, on occasion, not be honored by the military sentries. Eventually, the Japanese Consulate gave up the practice of issuing passes and stated that all future passes would have to be procured from the Japanese Naval Attache's office.

On 22 September, another plan was announced by the Japanese Consulate, by which those wishing to remove goods were required to make certified application in duplicate, stating location, quantity and nature, and value of goods. Then, taking into consideration requirements for military operations and the adequate policing of the area, as well as sanitary conditions and the state of traffic, a date for removal would "be announced at the earliest possible date."

American residents were advised by the State Department to file with the Consulate, inventories of property and evidence of the exact location and value/destroyed, looted, abandoned, or occupied property for which they might desire indemnity.

These unsatisfactory arrangements and virtual restriction of the rights of foreign business men to carry on ordinary mercantile activities were applied to other areas in the Yangtze Valley, where Japanese occupation was effective. As late as June, 1938, the Consul General, Shanghai, reported (Report to Secretary of State for June): "A petition signed by 45 American missionary doctors and nurses, presented to this Consul General x x x was an indication of missionary feeling against continued exclusion from their field of work. There were indications that Japanese restrictions were being relaxed x x x." About 30 passes were issued in May and June to American Missionaries to return to points in the interior. "In marked contrast x x x was the continued refusal to give passes to American business men x x x (who) were still unable to visit their properties or to ascertain the extent of damage which they might have suffered x x x."

## CHAPTER VIII

### Neutralization - Shanghai Area

(a) Neutral Zone in lower Yangtze River. Very soon after the AUGUSTA arrived in Shanghai, consideration was given to the possibility of providing a neutral zone in the lower Yangtze River in which men-of-war and merchant ships of neutral nations might anchor with safety.

On 15 August, Vice Admiral Hasegawa, Commanding the Japanese Third Fleet, agreed that Japanese man-of-war and merchant ships would not anchor and would abstain from all hostile action within an area of the Yangtze River bounded by a line running through Block House buoy bearing 030 true and a line running through the Southeast Knoll buoy bearing 030 true, reserving the right for man-of-war and merchant ships to pass through this area, but not to anchor therein except when compelled by stress of weather. The Commander in Chief, through the American Ambassador, immediately informed the Chinese authorities of this arrangement and asked them to agree to the same conditions, and, in particular, to abstain from all hostile action against ships anchored within the zone.

Ambassador Johnson on 16 August, stated that the Chinese Government had agreed to these arrangements in writing, provided that Japanese naval and merchant ships would not pass a line running through the Southeast Knoll buoy bearing 030 true and from the sea toward Shanghai harbor.

These conditions were not acceptable to the Japanese, and hence made the establishment of a neutral zone in the lower Yangtze River officially impossible.

The Chinese Government on 14 September, requested that all neutral vessels should be clear of the Yangtze between the mouth of the Whangpoc and longitude 122° east, during hours of darkness. The Chinese Government was informed on 17 September that this request would be complied with as far as practicable, but notice was given that sometimes it was necessary for neutral ships to remain in the river during darkness, in which case American ships would anchor between Block House and Southeast Knoll buoys and would show and illuminate the American flag. The Chinese Government would be notified in such cases.

Similar notifications were given by the other Commanders in Chief and this information was communicated to the Japanese Commander in Chief, adding that it was understood that Japanese authorities considered the area between Block House and Southeast Knoll buoys as a safety anchorage for neutral ships and was not being used for anchorage for Japanese men-of-war.

By tacit inference, a de facto neutral zone was thus set up and made use of for anchorage by merchant ships of all foreign powers, without hostile interference by either contestant.

(b) Neutralization of Whangpoo River. From the onset of hostilities, the desirability of neutralizing the Whangpoo River fronting the International Settlement and the French Concession became a matter of serious concern. Japanese warships were moored in the river from Garden Bend to the mouth and Chinese troops held positions on both sides of the river. At frequent intervals, both day and night, the Japanese engaged in bombarding the Chinese positions. The Chinese returned this fire with batteries of medium caliber and machine guns from the Pootung side; using as targets the Japanese ships and Japanese positions north of the river in Yangtzepoo and Hongkew.

The establishment by the Chinese of a barrier of sunken vessels and junks at the upper boundary of the French Concession limited the river area available to ships of neutral nations. All but a few neutral men-of-war were buoyed up-river from Garden Bend.

With an increase of both Japanese and Chinese forces, there was great likelihood that the river might become untenable to neutral men-of-war, and due to the length of time required to evacuate nationals, the situation might even become very dangerous. It was therefore considered of utmost importance that strong representations should be made by diplomatic agencies of all the interested neutral Powers to both belligerents to respect the neutrality of the river within the limits of the French Concession and International Settlement, and to make it possible for representatives of neutral nations to have access to their nationals and to remove them from this area without incurring all the dangers of active war operations.

It was believed that great loss of neutral life and property in Shanghai would result from the presence of Japanese forces in the International Concession, and that strong representation should be made to the Japanese Government to induce them to withdraw.

On 15 August, as an initial effort, the American and British Commanders in Chief, in conference with Vice Admiral Hasegawa represented to the latter the great desirability of removing Japanese naval vessels from the Whangpoo River within the limit of the International Settlement, to positions downstream outside these limits, on grounds that their presence entailed serious danger to neutral men-of-war and merchant ships from Chinese bombing attacks directed at Japanese ships. The Japanese flagship IDZUMO was moored off the Japanese Consulate which was used by Admiral Hasegawa as his base of operations. The Japanese Admiral refused to consider the proposal, saying that the presence of Japanese men-of-war in that area was necessary for

protecting Japanese residents in the Hongkew section, and to prevent Chinese troops from crossing the river from the Footung side.

On 19 August, the Japanese Commander in Chief ordered the closing of Sections Six, Seven, and Eight of the Whangpoo River to Chinese vessels between 1900 and 0500, with proviso that other vessels should notify the Japanese of their movements in advance in order to avoid any misunderstanding. As this message came to the Commander in Chief, through the American Consul General, he replied through the same channels: "August 19. The American Naval Commander in Chief has considered the oral message received by the American Consul General from the Japanese Consul General through the Senior Consul, stating that Sections 6, 7, and 8 of the Whangpoo will be closed from 1900 to 0500 daily to Chinese vessels and that other vessels should give due notice.

"The Commander in Chief observes that Vice Admiral Hasegawa, the Japanese Commander in Chief, has not conferred with him in regard to this matter. He has guards of marines and bluejackets at properties below this area to which access is required at any time at short notice. He must also have free communication with his ships, both men-of-war and merchant men at Woosung at all times of the day and night.

"The Commander in Chief will therefore be unable to comply with the proposal that he should notify the Japanese Commander in Chief of any movement between 1900 and 0500. In order to facilitate identification, however, he will arrange that any United States men-of-war, ship's boat, or merchant vessel proceeding after dark will burn her navigation lights and fly her ensign or national flag as the case may be and will pass as close as practicable to the first Japanese men-of-war encountered up or down stream, reducing speed while passing her."

The British and French Commanders in Chief sent identical messages to the Japanese Commander in Chief.

On the same day, the Chinese military authorities requested all foreign warships and merchant ships in Shanghai to move to a distance of at least five nautical miles away from any Japanese warship, failing which the Chinese military authorities added the request that the Powers concerned make the Japanese warships move away from their warships and merchant ships to a similar distance. If neither of these requests were complied with within 12 hours, the Chinese Government announced it would not assume any responsibility for any damage caused to ships of third countries during engagement of the Chinese air force or other force with Japanese warships.

The Commander in Chief, upon receipt of this information, which came in the midst of preparation for embarking several hundred



American citizen evacuees on board the PRESIDENT HOOVER the next day, sent an immediate despatch to the American Ambassador in which he cited the above situation and said "the conditions imposed by the Chinese military authorities are impossible to meet without withdrawing from the Whangpoo River entirely and leaving our nationals without protection. This the Commander in Chief has not the slightest intention of doing."

He further stated in a despatch on 20 August: "The embarkation of 1000 of our nationals, principally women and children must take place today and they must pass through the area where Japanese ships are anchored to reach the PRESIDENT HOOVER. If any loss of life results from Chinese action while these nationals are being evacuated, the consequences will be most serious."

All the Commanders in Chief of foreign navies present in Shanghai were in accord in considering that they should remain in the present zone by reason of its proximity to the Concessions.

In the meantime the American Ambassador on 19 August informed the Chinese Government that American naval vessels were present in the Whangpoo River for the purpose of protecting the lives of American citizens, and that they had no hostile intent against the forces of China or any other Power. To leave their positions, and to give up the protection of citizens of the United States legitimately residing in Shanghai, was an impossibility. He warned the Chinese Government that U.S. naval ships would use their guns in self defense if attacked or otherwise endangered and that the Chinese Government must be held responsible for any damage which might result. He asked that every protection be given, during the process of the evacuation of women and children from Shanghai then in progress, both to the people, the area of the Settlement where they have taken refuge, and to the merchant ships in or out of the harbor.

The Chinese Government on 20 August, sent the following letter to the American Ambassador: "Referring to the note of today's date of His Excellency regarding the question of the disposition of American war vessels in Shanghai, the Minister of Foreign Affairs has the honor to observe that China is now engaged in a life and death struggle with Japan through the latter's repeated aggressive action and that the position taken by His Excellency may lead to the belief that Japanese war ships are allowed to take advantage of their proximity to other foreign war ships to attack Chinese troops and avoid being attacked.

"The Chinese Government still maintains much to its regret that under the present extraordinary circumstances it is necessary for the warships and other ships of friendly Powers to leave the danger zone for their own safety, and should not in any way permit their presence to interfere with the legitimate action of the Chinese

defense forces. The Minister for Foreign Affairs has to reiterate that while the Chinese forces will avoid as far as possible endangering the safety of the vessels of friendly Powers, the Chinese Government will not hold itself responsible for any damage caused to them as a result of the noncompliance with the request of the Chinese military authorities."

On 22 August, a joint letter signed by American, British and French Admirals was sent to Admiral Hasegawa protesting against the presence of a Japanese destroyer, which for several nights had been anchoring about 300 yards down stream from the AUGUSTA, and requesting that all Japanese ships be kept below Hongkew Creek. On the night of 20 August, this destroyer had opened fire on some buildings on the Pootung side of the river, the shells passing dangerously close to the bow of the AUGUSTA.

In subsequent conference, it was agreed that Admiral Hasegawa would withdraw below a line between Pootung Point and Soochow Creek, but not below Hongkew Creek because of his duty to protect the lives and property of his nationals close to Soochow Creek and in the region between Soochow Creek and Hongkew Creek. His position there was necessary for defense against torpedo and airplane attacks, (the Chinese on the night of 17 August, had attempted to torpedo the IDZUMO by using a coastal motor boat which was sent down stream through the area fronting the Bund in which neutral warships were moored, thereby bringing hostilities into the area which had been reasonably free from hostile action and for which neutrality was being asked), but he did not intend to fire from these positions except against the Chinese in Pootung.

It was suggested that if the Chinese withdrew from Pootung Point, there would be no necessity for Japanese fire in that direction. The Commander in Chief agreed to take up with the Chinese Government the question of refraining from sending any ships into this area, and the withdrawal of troops from Pootung.

The Chinese Government replied that, while the Chinese Government must necessarily reserve its right which is inherent in Chinese Territorial Sovereignty, for the free use and passage of all kinds of Chinese vessels, for the whole length of the Whangpoo, the Chinese military authorities agreed not to commit hostilities in the sections of the river in question, provided the Japanese warships did not cross the Soochow Creek-Pootung Point line and refrained from taking hostile action entirely.

The Japanese Admiral reserved his right to send vessels into the area, but stated that he would keep them below the Soochow Creek-Pootung Point line except in cases of military necessity.

The Japanese Minister of Marine, Tokyo, after studying the

question, was not favorable to this neutralization plan unless it was accompanied by neutralization of both banks of the river - a solution which made neutralization impracticable because the Chinese forces held the right bank of the Whangpoo, from which they showed no evidence of retiring unless driven out by force. This would, in effect, mean Japonization of both banks of the river.

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On 4 September, the three senior Commanders in Chief, invited the attention of the Japanese Commander in Chief and the Chinese Military authorities in the Pootung area to the consequences of the artillery duel which took place about mid-day on 3 September, between Chinese guns in Pootung and the Japanese warships stationed in Sections 5, 6, and 7 of Shanghai harbor. Several shells fell in the International Settlement south of Soochow Creek and in the French Concession, causing 40 or 50 casualties, and serious damage was caused to foreign property in Pootung.

The Commanders in Chief considered that if those engagements continued and possibly became more general, the safety of the foreign area would be seriously involved and life and property further endangered. In order to avoid this state of affairs and to preserve the safety of the foreign areas under their protection, they therefore recommended and requested the withdrawal of the Japanese and Chinese forces as follows:

1. Japanese naval forces to withdraw below Section 7 of the River.
2. Chinese forces in Pootung to withdraw to the eastward of Pootung Road and south of Chang K. Da Creek.

The Japanese Commander in Chief made a counter proposal "in view of the possibility of renewed attacks by the Chinese forces from outside the proposed demilitarized zone, and the defensive measures our warships will have to take in such eventuality, the withdrawal of the Japanese and Chinese forces from the area as you suggest will in no way effectively avoid the danger to which lives and property of the foreign areas are exposed.

"However, should you see your way clear to exert your influence to get the Chinese to agree to the complete evacuation of their armed forces from x x x those parts of Pootung and Nantao within a radius of 6 Km. from Pootung Point, starting from the International Dockyard on the right bank of the Whangpoo and extending as far on the southern border of the French Concession, x x x I shall be ready on my part to consider the non-bombardment of Pootung and Nantao by our men-of-war stationed above Section 7."

On 17 September, the consortium of Commanders in Chief, wrote to the Japanese Commander in Chief: "Since the proposal for the Japanese men-of-war to proceed to a position in the Yangpoo River below Section 7, was put forward and replied to by you in your letters of 5 September and 10 September, the situation has been profoundly modified by the complete withdrawal of the Chinese forces from the sectors of the northern districts which were being defended by the Japanese Landing Party and which you stated in your letter of 10 September you were supporting with your warships. Assuming that such a responsibility necessitated the presence of your ships in Section 5, 6, and 7, which we considered however could equally as well be implemented from below section 7, we now consider that in the new situation there is no reason for you to hesitate longer to withdraw below section 7. We are of the opinion that such a withdrawal, assuming it is accompanied by the withdrawal of the Chinese to the eastward of the Pootung Road, constitutes a valuable measure of safety to the International Settlement south of the Soochow Creek and the French Concession and we recommend it for your further consideration before approaching the Chinese authorities. The withdrawal of the Chinese to 6 Km. from Pootung Point as you suggest would be an additional safeguard but would necessitate your corresponding withdrawal to below the Settlement."

In reply the Japanese Admiral reiterated his previous stand that he was unable to comply with these requests for withdrawal.

Replying to the letter to Commanders in Chief of 4 September, the Chinese Mayor of Greater Shanghai stated: "The Chinese are of the opinion that with the Japanese using the Settlement as its base of military operations for aggressive purposes against the Chinese army, resisting Chinese troops have been caused to suffer hardships in every way. With a view to paying due regard to the life and property of Chinese and foreigners living in the Settlement, we have continued to deal with the situation with the utmost patience and forbearance. This x x x is generally acknowledged x x x."

"Inasmuch as we are being attacked, it is naturally proper and fitting for us to take defensive measures within Chinese territory. The responsibility therefore entirely rests with Japan. x x x"

The Chinese Government regretted that it could not give any consideration to the proposal of withdrawing their forces from Pootung which were acting purely in self-defense measures occasioned by the necessity of preventing the invasion and illegal attacks of Japanese forces, until the Japanese warships withdrew from the Yangpoo.

The practical result of these prolonged and officially unsatisfactory negotiations, was the tacit withdrawal of the Japanese

warships to a point below the Garden Bend-Footung Joint line.

(c) Japanese use of International Settlement as Military Base.

On the subject of the use of the International Settlement by the Japanese as a base of operations, the Commander in Chief had on 25 August, presented a memorandum to the Consul General, Shanghai, in which he said:

"Since the arrival of the Japanese army, x x x this situation has entered on a new phase.

"Until yesterday the Japanese landing party was fighting more or less on the defensive in the Hongkew section under the theory that they were part of the defensive forces of the International Settlement. With a considerable stretch of the imagination, the bombardment of widely spread areas by Japanese men-of-war anchored in the Whangpoo River within the limits of the Settlement might be included in the same understanding.

"With the landing of the Japanese Army at Woosung, Luiho, and at Chapu on Hangchow Bay, the operations obviously change from a defense of the Settlement to an extensive campaign against the Nanking government covering a wide field.

"It is understood that the Japanese naval landing party becomes a part of this field army.

"The question then arises as to what extent the Japanese forces are to be allowed to use the docks and warehouses of the Hongkew section in furtherance of their operations without protest from the neutral Powers.

"The Nanking Government has protested several times against the use of the Settlement as a base of operations against their forces.

"If their use is continued under present conditions, their obligation becomes considerably more valid and acquiescence in this use by neutral Powers will be the cause of increasing bitterness on the part of Nanking.

"It is recommended that the neutral Powers arrive at some agreement on this matter and voice a warning to the Japanese Government against the further use of the International Settlement as a base for their war operations."

The State Department suggested it "would expect that the consular representatives of the interested powers in consultation with the interested naval commanders at Shanghai would, if and when they consider that the circumstances and the developments warrant

such action, make representations in such form and manner as might be agreed upon to the appropriate Japanese authorities at Shanghai against the use of the Settlement as a base for Japanese military operations x x x."

On 24 September, following the Chinese replies to the proposal to withdraw from Pootung, the Commander in Chief wrote to the American Consul General suggesting "that the time had arrived for definite representations to be made, either by the Ambassador, or by the respective governments with reference to the use of the Hongkew section of the International Settlement as a base for military operations by the Japanese. He pointed out that since the arrival of the Japanese army on August 23rd, the wharves in the Hongkew section had been the main base for unloading supplies and troops and evacuating wounded; and that one of the points always stressed by the Chinese Government in replying to protests made as to danger to neutrals and their ships in the Whangpoo River was that the Settlement was being used as a base for Japanese operations."

The Consul General referred the recommendation to the State Department with the observation that of course any action taken would be futile as far as results were concerned. The State Department took the proposal under advisement and was inclined to the view that representations would be warranted if for no other reason than for purpose of record.

In his Report for June 1938, the Consul General remarked:

"Japanese kept control of Hongkew and Yangtzepoo but intimated that the return of Hongkew to active control of the Municipal Council was under consideration. Yangtzepoo, however, would be kept because of military reasons x x x."

(d) Interference with Free Navigation. As the Japanese gained more and more power in the Shanghai area, a number of incidents arose affecting neutral rights to free navigation of the waters of the Yangtze and Whangpoo Rivers. Such was an incident involving the international right of navigation, in which, according to a news item in the Shanghai press of 2 September, foreign vessels navigating in the Yangtze estuary were warned by the Japanese "spokesman" against proceeding across the path of Japanese naval craft operating in formation in that zone. Although there was no official advice from the Japanese Admiral to the other Commanders in Chief on this subject, Admiral Yarnell invited his attention to the news item and stated "that vessels, naval and merchant, of other nations have equal right to navigate the Yangtze and Whangpoo Rivers with those of Japan. In the movement of such vessels, they follow the International Rules for the Prevention of Collision at Sea and the decisions of Admiralty Law Courts. These rules and

decisions do not give formation of vessels any special rights over a single vessel.

"In the navigation of these rivers, naval or merchant vessels of the United States will follow the International Rules for the Prevention of Collision at Sea."

\* \* \* \* \*

After the Chinese had evacuated the Shanghai region, Japanese forces began to seize a number of small vessels on the Whangpoo, some of them flying flags of neutral nations. Two of these were flying American flags: the FEI TING, property of the China Foreign Steamship Corporation, seized on 30 November, and the TSIN CHIANG, property of the Shanghai Stevedoring Co., on 2 December. In response to sharp protest of the Commander in Chief, the FEI TING was promptly returned by the Japanese with apologies for the unwarranted seizure. But in the case of the TSIN CHIANG, the Japanese claimed that she was of Chinese registry and considered that the question of final disposition must be determined after further investigation by the American and Japanese Consulates.

\* \* \* \* \*

Following the opening of the river barriers at Nantao, the Japanese naval authorities, when requested by Admiral Yarnell to permit the passage through the barrier of lighters belonging to the Shanghai Lumber and Coal Co., an American firm, for the purpose of bringing some much needed coal from Pootung to Shanghai, refused the permission and stated that "it has been decided to allow only naval boats to pass through the barrier for the present." This qualified permission was "given for one boat of the Navy, on official business, to make one trip up and down the Whangpoo River through the opening in the barrier x x x. Boats x x x must obey the instructions of the officer in charge of the Japanese naval vessel at the barrier. x x x"

\* \* \* \* \*

On 11 November, without any previous notice to neutral shipping, Japanese naval forces set fire to a number of junks moored on the Pootung shore just below the Nantao barrier. Soon several of these burning junks were drifting down stream and forming a serious hazard to shipping. This indiscriminate burning of junks was made the subject of protest by the Commander in Chief. The practice stopped.

\* \* \* \* \*

Another source of irritation to neutral shippers resulted from the seizure by the Japanese of the dredges and other floating equipment of the Whangpoo Conservancy Board, whose duty it was to keep the Whangpoo open for navigation by ocean-going vessels. Following the seizure of this equipment, all activities of the Board were brought to a standstill, nor did the Japanese exert any effort to carry on the function of the Board, except sporadically in areas where it was beneficial to their own shipping. Silting up of the river soon became a real problem. Protest after protest

were lodged with the Japanese not only by neutral naval commanders but by civil authorities as well, but without avail. Nothing has been done to ameliorate the growing gravity of this situation.

Of far greater import, however, was the assumption on the part of the Japanese naval forces that they had the right to give or refuse permission to navigate the Yangtze River. As the Chinese Army fell back from Shanghai toward the interior, Japanese war ships pushed further and further up the Yangtze. They broke through the barrier at Kiangying in early December, and with the fall of Nanking on 13 December, they were in complete military control of the river below Nanking.

After the capture of Nanking, the British began negotiations to bring some of their merchant vessels down river to Shanghai. Finally arrangements were made for passage down river of H.M.S. CAPETOWN and the Italian ship SANDRO SANDRI. At the same time the Japanese announced that plans were being made for vessels of third countries to be assembled in convoys to come down the river under escort, but it was pointed out by Admiral Hasegawa "that this and future passages be done with permission and under the instructions of the Imperial Japanese Navy, and that the river is not yet open to free navigation. This restriction is necessary because of the presence of Chinese mines and of remnants of Chinese forces in the area. x x x"

Replying to this statement, Admiral Yarnell and Vice Admiral Le Bigot, in a joint note of 23 December said: "x x x we thank you for the assurance of the assistance of the Japanese Navy in convoying our shipping down river. We agree that such movements must be undertaken at the risks of the vessels themselves.

"We agree that notification of the movement of all merchant shipping in the danger areas is necessary at present though we naturally hope for greater freedom as soon as the dangers are removed in accordance with our treaty rights.

"With regard to the movements of warships we will of course notify the Japanese authorities on the river of intended movements whenever practicable and will in any case be particular to give information of any intended movement through the Kiangyin barrier for the present. We cannot however accept the restriction suggested by your letter that foreign men-of-war cannot move freely on the river without prior arrangement with the Japanese and we must reserve the right to move these ships whenever necessary without notification."

On 5 January, the Commander in Chief stated that he could not "accept a policy which prevents the free navigation of the Yangtze River by United States naval or merchant vessels." The State



Department on 17 January informed the Japanese "that while the American authorities are as a matter of courtesy and practical expediency informing the Japanese and Chinese authorities when and so far as practicable of the movement of American vessels, the implication x x x that the navigation of American vessels on the Yangtze may be limited by Japanese military or naval stipulations is not acceptable and that the American Government claims for American ships absolute freedom to move and trade on the Yangtze River."

Navigation up the Yangtze River above the lower delta is still denied to merchant vessels of neutral nations.

## CHAPTER IX

### Japanese Blockade of China Coast

Without advance notice to the other senior naval Commanders on the China Station, or to their respective governments, Admiral Hasegawa on 25 August issued the following proclamation:

"I hereby announce that, commencing from 6 p.m. of August 25th, 1937, Chinese shipping, both government-owned and private, will be prohibited from entering into or exiting from the Chinese territorial waters extending from 32.4 degrees north latitude and 121.44 degrees east longitude to 23.14 degrees north latitude and 116.48 degrees east longitude.

"This prohibition will be applicable to all Chinese shipping but will not prevent vessels of third Powers as well as those of Japan from entering into or exiting from the prescribed zone."

This zone extended from the Yangtze River to a point south of Swatow.

The Shanghai press quoted Dr. Jumpei Shinobu, legal adviser to the Commander, Japanese Third Fleet as saying that while foreign vessels cannot be seized, detained or compelled to change their course, they would be liable to boarding by Japanese naval officers to ascertain their true nationality in case of doubt; that, because this is not a wartime blockade, the Japanese would be unable to stop foreign vessels from carrying armaments to China, but could take such effective measures as exercising the privilege of preemption toward foreign bottoms found to be carrying cargo which in war time would constitute contraband.

In forwarding this information to the Chief of Naval Operations, the Commander in Chief stated: "x x x Unless otherwise directed by the Navy Department will take this matter up with the Japanese Admiral and if assertions that American vessels are subject to boarding by Japanese men-of-war is true, I will notify him that the United States cannot recognize such interference with its merchant shipping as long as no war has been declared by either party between Japan and China."

He received the following reply: (31 August) "Pending receipt further instructions from Navy Department do not take action proposed x x x regarding stoppage American merchant vessels."

On 2 September, in response to a note of inquiry from Admiral Yarnell regarding the proclamation, the Japanese Commander in Chief informed him that the proclamation had been issued, and requested that advance notice of American ships entering or exiting from the

meddle with ships which carry legitimately the French flag and have not fulfilled this formality.

The Chinese Government, 8 September, issued a statement, which said in part: "In view of the blockade declared by the Japanese Government of the Chinese coast x x the Chinese air force and other defensive forces are compelled to take appropriate action against all Japanese naval vessels along the Chinese coast.

"In order to ensure safety as far as possible to the lives and property of third parties, the Chinese Government requests that the naval and merchant vessels of all friendly Powers, when approaching the coast of China, exercise utmost care to avoid coming within such a distance of any Japanese naval vessel or any Japanese military transport as will endanger their safety during the operations of the Chinese defensive forces.

"It is further requested that the vessels of all third countries intending to come near the coast of China, have their respective national colors painted on their top decks in such a conspicuous manner as will make them easily recognizable from the air. x x x"

On 20 September, the Commander in Chief asked the Navy Department if the United States policy regarding commercial vessels in the blockade area had been determined. Under date of 22 September, the State Department stated its general policy to be in conformity with the principles and procedure enunciated on 5 September: that no affirmative assent need be given to measures which the Japanese may take in the enforcement of the blockade.

The procedure suggested by the Department was: (a) that the Commander in Chief, Asiatic Fleet, ask from the various shipping Offices in the Far East, information regarding the time and place of expected movements of American vessels into and out of the blockade zone with a view of informing the appropriate Japanese and Chinese authorities thereof as a matter of courtesy when in the judgement of the Commander in Chief such notification is desirable;

(b) that the Department considers it undesirable that general directions be issued to American shipping to furnish advance notice to the Commander in Chief of their movements into and out of the blockade zone;

(c) that if and as masters of American merchant vessels inquire of the Commander in Chief regarding procedure to be followed in relation to the situation arising when American vessels are stopped by Japanese naval vessels, the Commander in Chief inform the masters that they should acquiesce to the extent of showing to the Japanese naval authorities evidence of nationality but to submit to further investigation only after express protest and that they should report

prescribed zone, their movements, names, captains, etc. be given either to him or to appropriate officers of his command on the spot. This was communicated to the Chief of Naval Operations. In reply, on 5 September, the State Department stated: "It is the opinion of the Department that there need be no objection to the giving of such notifications, but it is believed if and when notifications are given, they should be given on the basis of courtesy and practical expediency rather than on a basis of waiving of the right to immunity from interference which the giving of an express promise on our part would imply. Therefore in replying to the Japanese Admiral's request, the Commander in Chief should neither refuse nor agree to comply with request; he should merely state in substance that for the safeguarding and serving of American interests involved it will be our procedure to give notice to both Japanese and Chinese when and so far as practicable. x x x"

On 5 September, the original proclamation was superceded by two others, one from Admiral Hasegawa, Commanding the Japanese Third Fleet, and the other from the Commander of Japanese Second Fleet. The effect of the new proclamation was to extend the blockade over the whole coastal length of China, excluding the port of Tsingtao and waters belonging to leased territories of third Powers. On 26 December, Tsingtao was also included in the blockade.

The British Government's attitude was announced through diplomatic channels, that while it did not recognize the right of the Japanese to take the measures stated in their proclamation of 25 August and 5 September, it would agree to verification of ships flying the British flag on two conditions:

1. That if a British man-of-war was present the Japanese man-of-war should ask her to verify the right of the ship to fly the British flag, and
2. That if no British man-of-war was present the government would permit a Japanese officer to board the suspected ship and examine the certificate of registry, provided that the Japanese man-of-war simultaneously make an immediate report to the British naval authorities. The ship's master was also required to report the incident. No further interference would be permitted, and the right to claim compensation for damage sustained was reserved.

The French Commander in Chief stated that he had received instructions from his government that all French ships entering the blockade zone must inform him, and that he would inform the Japanese Admiral of the names of the ships and their captains, and warn him that in any case in which it might be impossible to furnish this information, the French did not recognize any right on his part to

## CHAPTER X

### The Japanese Army in the Shanghai Area: General Matsui

Within a week after the outbreak of conflict around Shanghai, transports began to arrive off Woosung and in the Whangpoo River loaded with contingents of troops of the Japanese Army and with Army supplies and munitions. On 22 August, after preliminary shelling by the Japanese Navy, detachments of the Japanese Army succeeded in establishing a foothold on the left shore of the Whangpoo River near Woosung, outside the Settlement boundary. By the 25th, 5000 men had been landed, soon followed by the reputed 30 to 50 thousand troops comprising the Japanese Army Expeditionary Force under command of General Iwane Matsui. Additional transports were arriving almost daily. Some of these transports tied up to docks of the Yangtzepoo waterfront of the Settlement and landed troops and supplies inside the Settlement boundary.

Japanese military operations on land against the Chinese were now taken over by the Japanese Army. Prior to the arrival of the Army, the brunt of the conflict with the Chinese had been taken by the Japanese Naval Landing Party. This Landing Party, a unit of the Japanese Navy and thus a part of the command of the Japanese Commander in Chief, had a definite place in the plan of defense of the International Settlement, just as the U.S. Marines, British and Italian troops had. In conjunction with the Shanghai Volunteer Corps, these troops constituted the Defense Force of the Settlement and worked in association with the contingent of French troops in the French Concession in the defense of the entire neutral area. To the troops of each nation and the Volunteer Corps, by a carefully worked out plan, had been assigned the defense of a section of the perimeter of the city with its contiguous sector. To the Japanese was given the defense of the sector comprising Yangtzepoo and part of Hongkew.

The usual strength of the Japanese Landing Party was about 2500 men. After the outbreak of hostilities around Peiping in July, this number was quietly increased from time to time, with a corresponding increase in equipment and munitions. Upon the outbreak of conflict with the Chinese in the Shanghai area, the strength of the Landing Party was estimated at from 8000 to 10,000 men.

With the beginning of actual hostilities, the Landing Party divorced itself from the common defense of the foreign area in association with the other Powers, and assumed for itself the role of sole defender of the sector north of Soochow Creek. Communication with the rest of the city was cut off by placing guards and sentries on the bridges crossing the Creek leading into the Japanese sector. After the arrival of the Army, the military activity of the Landing Force was merged with the Army, but it still continued

the fiction of its function as a part of the Defense Force of the city.

From the moment of its arrival, the Japanese Army had utilized the Yangtzepoo sector of the Settlement as a base for its offensive operations against the Chinese. This violated the primary function of the Defense Force which was concerned with purely defensive measures designed to protect Shanghai from disturbing elements outside its perimeter. The presence of this army of offense, using the city as a base of operations, brought forth the protest of the American Commander in Chief cited in Chapter VIII.

He enunciated a policy as far as the American sector was concerned, on 26 August:

"Armed Chinese or Japanese troops will not be permitted to enter the American sector of the International Settlement.

"Chinese troops will most probably be unrecognized bodies. Every effort must be made to prevent their entry by means other than rifle fire, such as tear gas. As a last resort to prevent the actual entry, fire may be opened.

"Unarmed Chinese soldiers will be permitted to enter and will be segregated under guard."

On 8 October, General Matsui issued a proclamation:

"Charged by his Majesty the Emperor with the task of heading the Shanghai Expeditionary Forces, I have landed on Chinese soil south of the Yangtze. The Japanese Army is now prepared to use every means within its power to subdue its opponents.

"The objectives of the Japanese Expeditionary Forces are, as clearly set forth in statements issued by the Japanese Government, not only to protect the vested interests of Japan and the lives and property of the Japanese residents in the affected area, but also to scourge the Chinese Government and Army who have been pursuing anti-foreign and anti-Japanese policies in collaboration with Communist influences. In short, the mission of the Japanese Army is to establish the foundation for a firm and lasting peace in East Asia.

"We cannot but feel sorry for the many innocent persons who are unfortunately living in the area of hostilities, and it goes without saying that the Japanese Army has no enmity toward the Chinese people in general. However, against those who bear arms against Japan, the Japanese Army will show no mercy.

"Toward the officials and nationals of foreign Powers who have

suffered from the hostilities or who have been threatened with injuries to their persons or property, we express our deepest sympathy.

"The Japanese Army will leave nothing undone to respect and protect the lives and property of nationals of third Powers.

"With the close cooperation of the Naval forces, the Japanese Expeditionary Force is determined to clear the skies of ominous clouds and I am confident that the day is not so far off when the light of peace will shine again."

As the Japanese Army gradually gained successes over the Chinese forces and pushed them farther and farther away from their positions contiguous to the boundaries of the Settlement, it seemed as if the Japanese became indifferent toward the neutrality of the International Settlement and French Concession and for the safety of the residents therein.

During the month of October, the casualty situation in the Settlement had become exceedingly serious due to an almost daily indiscriminate firing of Japanese guns into the Settlement area. On 31 October, the neutral naval commanders in chief decided to ask for a conference with General Matsui to see if some abatement of the deplorable condition could not be effected. The General regretted very much that because of military exigencies he could not have the pleasure of meeting the Admirals before November 10th. A conference was arranged on 2 November with General Harada, Japanese Military Attache, at which the foreign senior naval officers emphasized the very serious nature of the frequently recurring incidents in which troops of the foreign defense forces and many non-combatants had been killed and wounded as the result of Japanese gun fire, and the necessity that immediate steps be taken to stop these occurrences in order to avoid embittering relations between the foreigners and Japanese forces, which must inevitably follow should the incidents continue. They hoped that Japanese forces would avoid any military action which would endanger the foreign troops or civilians within the defensive perimeter and that Japanese aircraft would cease flying over the International Settlement and the French Concession.

By 10 November, the military situation had been changed by the virtual withdrawal of the main body of Chinese forces from the Shanghai area. At this time General Matsui, in an interview with the press, was reported to have said that inasmuch as he was now "master of Shanghai" he felt free to take any steps dictated by military necessity in the International Settlement as well as in Chinese territory; that while military operations naturally could not be carried on in the French Concession, he saw no distinction between the International Settlement to the north or south of

all cases of stopping with a full recital of the circumstances to the Commander in Chief or to the nearest American Consular authorities or both, and that the Commander in Chief or the Consular authorities should refer the matter to their respective departments.

The Department considered it preferable that no public statement be made of its position on this subject.



Soochow Creek; that military needs might dictate Japanese control of censorship as well as Customs, though neither step was then contemplated; that he preferred not to interfere with the rights of foreign countries and that he would protect foreign interests within the Settlement.

This news was disconcerting to the authorities both civil and military in the Settlement as they realized that the Japanese had sufficient superiority of force to effectively carry out such a plan if desired. The several senior naval commanders on 15 November, in discussion of future disposition of troops in the International Settlement and the future relations with Japanese forces agreed that:

"The object of the troops in the International Settlement at present is to maintain law and order and to establish normal conditions in those areas at the earliest possible moment.

"American, British, and Italian troops are to be withdrawn from defensive positions to barracks as soon as conditions permit. It is believed that this condition now exists in the above sectors. Patrols will be maintained along the perimeter as necessary.

"The policing of the International Settlement is to be carried out by the Municipal police supported by troops if necessary in their respective areas.

"On account of the large commercial interests in Hongkew it is most desirable that this section return to its former status as soon as practicable.

"Until present hostilities are over it is desirable that Japanese troops not be quartered south of Soochow Creek or in B Sector."

On 20 November, General Harada called on the Secretary General of the Shanghai Municipal Council to say for General Matsui that the Council must take measures to suppress anti-Japanese activities in the Settlement. He announced that the Japanese intended to march Japanese troops along the Shanghai Bund, south of Soochow Creek to Nantao as a demonstration to deter the Chinese from anti-Japanese activities.

This movement was considered by the neutral naval, military and civilian authorities to be ill advised and possibly disastrous to the peace and order of the foreign protected neutral areas in which there was a large Chinese population of neutrals and refugees. Protests were lodged with the Japanese on grounds of inadvisability and likelihood of serious consequences if an attempt was made to march Japanese troops through the Settlement.

The French authorities denied permission for armed Japanese troops to cross the French Concession, but were willing to grant passes for individual unarmed troops in lorries, provided only food or similar supplies were carried. No ammunition was to be allowed to pass.

On 1 December, the Japanese Military Attache announced that it was the intention of the Japanese to march a column of Japanese troops through the American and British sectors on 3 December.

The British Major General advised General Harada that such action was very definitely against the wishes of the neutral commanders, and that he understood that such action had not been contemplated, but if it was intended to disregard the wishes of the other commanders, the responsibility for any incident could not be accepted. He further said that he would cooperate, if the action was still contemplated, and make arrangements with the Municipal Police to clear the route as far as possible. He hoped that the Japanese would be dissuaded from this unwise, unnecessary and possibly provocative demonstration.

The parade was carried on as advertized, starting at Jessfield Park and passing down Yu Yuen Road, Avenue Haig, Foch, Thibet Road, Nanking Road and the Bund to Hongkew. Three thousand men marched.

While the parade was going down Nanking Road at Kwangse Road, a bomb was thrown at the passing column, resulting in a few minor casualties among Japanese troops and Municipal constables. The perpetrator was shot down by a Chinese constable. This incident occurred despite most elaborate precautions taken by municipal authorities to prevent it.

Following this incident, the Japanese military put a cordon of troops around about 25 blocks in the heart of the city in the crowded Nanking Road area and prevented all movements of traffic. Some sentries were placed in the American sector but were withdrawn after representations by the Commanding Officer, Fourth Marines. The cordon was withdrawn from the area at 9 P.M. of the 3rd.

A memorandum was handed to the Shanghai Municipal Commissioner of Police by a Japanese Colonel at the time of the above incident which showed Japanese aims. Later the Japanese tried to claim that the Police Commissioner had agreed to these suggestion. By this memo the Japanese were to have the right to pass freely through the Settlement whenever necessary without notice; to adopt ("in case of a recurrence of such a regrettable incident") appropriate measures on assumption that the Shanghai Municipal Police had no power to maintain order; and to act independently in making searches and arrests, should the policing of the Police be considered unsatisfactory.

It was rumored that these demands were drawn up by the group of younger officers over opposition of their seniors. It was reported that General Matsui was not in favor of the march through the Settlement, but was forced into it by the younger officers.

While General Matsui has been given credit for the truculent attitude and demands on the Settlement, it was quite probably true that he himself was not the master and had to formulate his decisions and announcements to please his underlings. It is certain that the Japanese Foreign office had no knowledge of what the Japanese Army was doing in Shanghai.

On 22 November, the Japanese Naval Landing Party notified the U.S. Marines and the British forces that on 1 December they intended to resume protection of Japanese life and property in the foreign sectors, that Japanese contingents would be sent to the Japanese mills in such sectors, and that they intended to transport supplies under guard through the Settlement to these contingents and to the Japanese troops in Nantao and west of the Settlement boundary.

The stand taken by the Japanese was that their nationals residing in the neutral sectors desired to see their own sailors as their protectors. There had been no complaint that their protection had been incomplete, but they felt completely safe when guarded by their fellow countrymen.

This contemplated action was protested by the neutral naval commanders on the ground that there had been efficient and satisfactory protection to Japanese properties and to the few Japanese people in them; that the present time was inappropriate to return Japanese troops to such parts of the Settlement; that the presence of Japanese troops in the neutral sectors would cause a "real embarrassment"; that it would be desirable to delay any action until conditions in the Settlement were more normal; and that conditions could not be considered normal until Hongkew, Yangtzenoo and Hungjao were completely open.

The Japanese further announced that they would take over police functions in the enclaves in the Western district. This move was opposed by the Municipal authorities on ground of inexpediency. No ground was raised as to rights of Japanese to do this, but it was regarded as preferable to wait until the situation was more settled and a form of municipal government had been set up to take over functions of the former Chinese Municipal Government.

On 10 December, a small contingent of Japanese soldiers cut the barbed wire entanglement above the Soochow Creek boundary of the American sector and proceeded to the N.W.K. mill inside that sector. Upon protest from General Beaumont, this party was promptly

withdrawn. Admiral Yarnell stated to Admiral Hasegawa that sending of troops into the American sector was contrary to his advice and judgement; that Japanese nationals in the American sector had been afforded and would continue to be given every protection by the United States Marines in the sector; that no present danger existed for the Japanese nationals; that the Marine guard was entirely adequate to continue the protection; and that the sending of Japanese troops into the sector served no purpose but added to the difficulties already confronting the police and defense forces.

In response Admiral Hasegawa stated that the proposal of sending Japanese contingents into the American sector had been postponed "because of various circumstances and for the convenience of the Japanese forces. At a later suitable date, of which you will be informed, the Japanese Naval Landing Party will be sent into the above area."

Later, at conference, Admiral Yarnell emphasized that the only idea in objecting to the presence of such troops was the prevention of incidents which would lead to trouble and disorder. He suggested that if such men were sent in small numbers, say 20 or 30, and remained in the mills, there would be no objection raised. Later the number could be increased gradually if so desired. January first was suggested as a beginning date.

On 24 December, General Matsui conferred with the Commander in Chief on board the U.S.S. AUGUSTA. Admiral Yarnell presented the following letter:

"As a result of the hostilities that have been carried on in Shanghai and the Yangtze Valley for the past four months there has arisen a situation that has become critical for the population and the neutral business interests which sustain the life of the city.

"It is a situation that demands frank statement and discussion. As you are a soldier, I am sure you would prefer that the matter be handled in that manner.

"The Japanese Government has officially and repeatedly stated that it will respect foreign rights and properties in China. The restrictions that were placed in effect at the beginning of hostilities and still govern, regardless of statements to the contrary, lead one to doubt the sincerity of the above statement.

"Only yesterday I was called on by an American to assist him in obtaining goods from godowns in Hongkew and Yangtzepoo which are vitally necessary in his business and which he had been trying for four months to obtain without success.

"I have heard well founded rumors that policeman and sentries

refuse to honor passes issued by responsible Japanese officials for the entry into Hongkew and the removal of goods therefrom.

"Commercial firms are restricted or entirely prevented from carrying on their normal operations in industrial and warehouse areas, such as Yangtzepoo, Point Island, and Pootung. A great apartment house stands empty within a stone's throw of Garden Bridge.

"Residents are not allowed free access to their homes in residential areas such as Hongkew and the Settlement roads north and west of the International Settlement except under such onerous restrictions as to make living in these areas impossible.

"Actual fighting ceased in the Hongkew and Chapei areas nearly two months ago but the restrictions still continue.

"It is known that looting of properties in Hongkew, Yangtzepoo, and the residential areas west of the city has taken place, yet owners are denied the right to occupy their properties or place proper guards over them. x x x

"With reference to the City Government of Shanghai, it is now carrying on under a tremendous burden. Revenues have diminished greatly rendering the financial situation and the continuance of the necessary municipal activities difficult.

"The city is crowded with hundreds of thousands of homeless refugees who must be fed and housed. The financial problem in connection with this work is a very great one. Many people of the Settlement and French Concession are devoting their entire time and energies to the solution of this great problem.

"The attitude of Japanese soldiery toward Chinese non-combatants has produced a state of terror which prevents their return to their homes and farms. Your own proclamation state that the Japanese Army has no enmity towards the Chinese people. If the Chinese people could be convinced of the sincerity of these proclamations they might be induced to return to their homes.

"The great problem confronting the people of Shanghai is whether its commerce is to continue to be strangled to a point where the business community that has made it one of the great ports of the world will be driven out of existence. The present situation is none of their seeking. These interests have suffered tremendous losses through fire, destruction, and the suspension of all business. The question now is how much longer this loss can continue without the final destruction of the city as a commercial port.

"I have heard it stated that the real Japanese policy is to drive out of Shanghai all commercial interests except their own. This I cannot believe, since it is directly contrary to the repeated statements of the Japanese Government.

"The people of Shanghai thoroughly appreciate and understand that the overwhelming force of the Japanese Army in Shanghai area makes it possible for you to put into effect such decrees or regulations as you may desire. It did not require a march through the Settlement to impress that fact upon the neutral population.

"But with power should go a scrupulous regard for the rights of innocent people. This is generally well realized by men of military training, for they know the misery and suffering that can be caused by the ruthless exercise of power unrestrained by any consideration for neutrals or non-combatants.

"I request your earnest consideration of the contents of this letter x x x and would appreciate an early reply, with a statement of your policy regarding the points raised herein."

There were inclosed with the letter copies of memoranda from the American, British, French and Italian representatives in Shanghai and the Shanghai Municipal Council, which showed the extent to which the intolerable conditions referred to prevailed. These lists gave many instances of neutral vessels seized without any warning or right other than that of armed force, of denial of owners to their lawful property, of looting, denial of owners to enter their own homes and so on.

General Matsui recognized the propriety of the recommendations and stated he would investigate the conditions with a view toward their amelioration.

## CHAPTER XI

### Sinking of the U.S.S. PANAY

At 1335 of 12 December, the radio of the U.S.S. PANAY suddenly ceased functioning in the midst of a message she was sending. Apprehension of a possible casualty to the PANAY was felt during the late afternoon when attempts to reach the ship by radio were unsuccessful. This anxiety was heightened when news was received of the shelling by the Japanese at Wuhu of H.M.S. BEE and LADYBIRD during which the LADYBIRD was hit four times. Casualties included one enlisted man killed and a number wounded, and severe damage to the ships superstructure. News was also received of deliberate attempts by Japanese planes to bomb H.M.S. SCARAB and CRICKET off Nanking. A report was received that the Japanese military commander at Wuhu, Colonel Hashimoto, had informed Captain O'Donnell of the BEE that he did not recognize any flag but his own and that he had orders to fire at any ships on the river not flying the Japanese flag. The BEE at Wuhu was asked by Commander Yangtze Patrol for any news of the PANAY, but she had no information. The Commander in Chief pressed the Japanese Admiral at Shanghai to make inquiries of his subordinates on the river with no positive result. The U.S.S. OAHU at Kiukiang was ordered to stand by to go down river. At 0930 of the 13th a telephone message was received by the American Ambassador in Hankow from a Dr. Taylor in Anking that the PANAY had been sunk by Japanese bombing planes and that the survivors were then in Hohsien, a small village on the left bank of the Yangtze River. This news was transmitted to the Commander in Chief at Shanghai, to Commander Yangtze Patrol at Hankow, and to the Commander, British Yangtze Patrol at Wuhu. Rescue operations were begun at once. The Japanese were notified and requested to provide protection to the area of Hohsien until the survivors could be brought out. The OAHU left Kiukiang at 1347 of the 13th, and arrived at the scene of the sinking at 1016 of the 14th, where H.M.S. BEE, two or three Japanese boats and a naval flying boat were already assembled.

The U.S.S. PANAY, a gunboat built especially for duty on the Yangtze River, had assumed duty as Station Ship at Nanking on 23 November, 1937, in conformity with the well-established policy of protecting American lives and property. Her immediate mission was to protect nationals, maintain communications between the United States Embassy office at Nanking and the American Ambassador at Hankow, provide a temporary office for the Embassy Staff during the time when Nanking was greatly endangered by military operations, and afford a refuge for American and foreign nationals.

In conformity with this policy, on 10 December the Staff of the Embassy, consisting of four persons, and four other American nationals and five foreigners had come on board the PANAY.

On the 10th, the Japanese Army forces had stormed the gates of Nanking and had broken through into the city. By the 12th, the fighting was intensified by relentless fire of artillery and aerial attacks as the invading units converged on the city. Due to this intensive fire, on the 11th the PANAY had changed her berth several times to avoid being hit. Again in the early morning of the 12th, shells began to fall in the river not far from the ship. The PANAY formed a convoy of Socony Vacuum Oil Co. vessels, principally the MEIPING, MEIAN, AND MEIHSIA, and proceeded up river. Adequate steps were taken at all times to insure that the Japanese authorities were informed of the movements of the PANAY.

At 0940, while on the way upriver, the PANAY stopped in response to a signal from a Japanese landing boat. A Japanese Army boarding officer came on board and was informed that the PANAY and convoys were proceeding to an anchorage 28 miles above Nanking in order to keep clear of artillery fire. At 1100 the convoy anchored off Hohsien Creek. American flags were displayed both vertically and horizontally on all vessels.

It was a calm and clear Sunday and a number of the crew had "visiting permission" to go aboard the MEIPING where a branch of the Nanking Navy Club had been established.

Shortly after 1330 on this peaceful day there suddenly appeared ahead three large Japanese twin motored bombers in V-formation flying at a considerable height overhead and apparently passing down river. As there were no other craft in the vicinity of the PANAY and convoy, there was no reason to believe the ships were in a dangerous area. Without warning as they got overhead these Japanese planes released bombs, one or two striking on or close to the bow of the PANAY, and another on or close to the MEIPING. The forward 3-inch gun of the PANAY was put out of commission, the pilot house and sick bay were wrecked, the radio equipment and the steaming fireroom were disabled, and leaks developed in the hull. The ship settled down by the head and listed considerably to starboard. The Commanding Officer and a number of others were injured. The MEIPING was set on fire and the MEIAN and MEIHSIA were damaged.

After this first attack, a group of six single engined biplanes attacked from ahead, diving singly, apparently concentrating on the PANAY. A total of about twenty bombs were dropped from these planes, many striking close aboard causing damage to the ship and more casualties among personnel. These attacks lasted for about twenty minutes during which time at least two planes attacked with machine guns.

After the first attack, air defense stations were manned on the PANAY. The 30-calibre machine gun battery opened fire and engaged



the attacking planes throughout the remainder of the attack, without bringing down any plane. The 3-inch battery was not manned.

While the Japanese attack was being concentrated on the PANAY, the Standard Oil vessels got underway. The MEIAN, badly damaged and afire was beached on the left bank somewhat down the river from the PANAY where she became a total wreck. Captain Carlson of the MEIAN was killed. The MEIPING whose fire had been extinguished by the PANAY personnel on board, and the MEIHSIA, also damaged, proceeded to the right bank and tied up to the pontoon at the Kaiyian wharf. Later, after the attack on the PANAY had ceased, these two ships were further attacked by Japanese bombing planes, set on fire and destroyed. Attempts by the PANAY visitors to extinguish this second fire were unsuccessful. Just previous to the bombing Japanese Army units on the shore near the wharf tried to avert the bombing by waving flags. They were not successful and a number of soldiers were injured by flying bomb fragments. Casualties among the Chinese crews were numerous. Messrs. Marshall, Vines, and Pickering, passengers from the PANAY, were wounded.

As a result of the bombing attacks, many of the PANAY'S complement and passengers were injured. The Captain, Lt. Comdr. J. J. Hughes, who was in the pilot house at the time of the first attack, suffered a broken hip; the executive officer, Lt. A. F. Anders, was wounded by fragments in the throat and hands, so badly that his power of speech was lost; Lt. (jg) J. W. Geist, engineer officer, received fragments in the leg; Ensign D. H. Biwerse had his clothing blown off and was severely shocked; and Lieut. C. G. Grazier (MC) was badly contused. This accounted for all the officers. Among the crew: J. H. Lang, COM; R. H. Hebard, F.1c; K. J. Rice, EM.3c; C. H. Birk, EM.1c; C. S. Schroyer, Sea.1c; A. Kozak, MM.2c; P. D. Ziegler, SC.3c; C. L. Ensminger, SK.1c; and E. C. Hulsebus, Cox. were seriously wounded; thirty others received less serious injuries. Of the passengers aboard the PANAY; Mr. Sandro Sandri and E. Gassie were seriously wounded and Mr. J. H. Faxton was slightly wounded.

At about 1400, realizing the impossibility of beaching the ship owing to the extensive damage which prevented getting underway, and considering the number of wounded and the length of time necessary to transfer them ashore in the two small boats, the Captain ordered the ship to be abandoned. This was completed by about 1500. By this time the main deck was awash and the PANAY appeared to be sinking. All severely wounded were transferred in the first two trips, including the Captain over his protest.

After the ship had been abandoned, C. B. M. Mahlmann and MI.2c. Weimers returned aboard to rescue stores and medical supplies. While they were returning to the beach a Japanese power boat filled

with armed soldiers approached the PANAY, opened fire with a machine gun and boarded the ship. They remained aboard about five minutes. Shortly after they left, at about 1554, the PANAY rolled over to starboard and sank in from seven to ten fathoms of water.

The survivors were now divided into two groups. The eight enlisted men and three civilian passengers who were on the MEIFING and MEIHSIA had gone ashore at Kaiyian wharf. Two civilians, Marshall and Vines, and J. Hodge, F.l.c. wandered away from the others, were picked up by some Japanese and treated kindly, eventually making their way to Wuhu. From there they were sent to Shanghai by Japanese plane. The seven remaining enlisted men headed by C.Ph.M. Coleman remained together and were picked up about 1100 of the 13th by H.M.S. BEE. Later they transferred to the U.S.S. OAHU.

The survivors from the PANAY were landed on the left (north) bank of the river on a small marshy island covered with reeds. The party hid themselves among the reeds while two Japanese planes circled overhead. One machine gun attack by plane had been made against a ship's boat bearing wounded ashore, piercing the boat with bullets. Members of the stranded party thought the Japanese meant to annihilate the whole group if it could be found. While lying among the reeds, the needs of the wounded were attended to and they were made as comfortable as possible.

Because all the line officers were injured, the captain appointed Captain F. N. Roberts, U.S. Army, as his immediate representative to take active physical charge under his direction. Captain Roberts was the Assistant Military Attache of the Embassy and spoke Chinese.

Mr. J. H. Paxton of the Embassy Staff had gone inland to try to get a communication through to the American Embassy at Hankow. Yuan Te Erh, Matt.lc, had also gone ahead for assistance and had found a Chinese village not far inland. With the coming of dusk, the wounded were placed aboard an abandoned Standard Oil launch found nearby, and the able bodied tracked the launch up a creek to this village on the mainland. The party was met here by coolies sent back by Mr. Paxton. With their help the wounded were carried on improvised stretchers to the village of Hohsien, about five miles away. Here the party was treated with the greatest consideration and kindness by the magistrate - a graduate of the University of Syracuse - and the civil population. The meagre facilities of the village was put at the disposal of the party. The wounded were placed in small stone building with dirt floors and no heating arrangement. During the night Ensminger, SK.lc and Mr. Sandri died of their wounds.

The party remained at Hohsien during the daylight of the 13th. Mr. George Atcheson of the American Embassy, a member of the party, was able to establish telephone communications with Dr. Taylor at Anking and thus inform American authorities of their whereabouts and the nature of the disaster that had overtaken them. At intervals during the 13th, Japanese planes flew over the village. It was surmised that they were searching for the party, so it was decided to push farther inland during the night. At dark that evening, the party set out by junk for Han Shan, a village about 12 miles inland, where they arrived, after a night of cold damp exposure, in the early morning of the 14th. Here again they received the same friendly consideration from the Chinese authorities and people, and offer of medical assistance from the Chinese physicians which was thankfully accepted.

At Han Shan, Mr. Atcheson, by telephone with Dr. Birch of the American mission at Hofei, 130 miles away, relayed a further message to the American Ambassador at Hankow. Dr. Birch arrived at Han Shan at about noon with medical supplies which were badly needed and greatly appreciated. A telephone message was received from Rear Admiral Holt, R.N., who had made his way to Hohsien, stating that the British gunboats BEE and LADYBIRD and U.S.S. OAHU were standing by in the river to assist in their rescue and that arrangements were being made for their evacuation from Hohsien to Shanghai under Japanese convoy.

The party began the return trek from Han Shan at about 1415 of 14 December by the same junks which had taken them to that village. They arrived at Hohsien at 2000 that night, where they were met by Admiral Holt, and a party of officers and men from the BEE, LADYBIRD, and OAHU. The wounded were cared for, and food and blankets were distributed. News of the safe arrival of the party was sent out by portable radio brought in by the British.

The party proceeded to the river where they arrived at about 0130, 15 December, after more than 50 hours of exposure and hardships, mitigated somewhat by the kindness of the Chinese and the valuable assistance rendered by Admiral Holt and his party.

\* "The survivors were in a pitiful condition, especially the wounded. All were extremely dirty and were suffering severely from cold, shock, and exhaustion. They were clad in lifejackets, blankets, Chinese quilts, and remnants of clothing. Their fortitude was astounding in view of the fact that they had been undergoing the most painful and harrowing experience continually for the past two and a half days."

The dead and wounded were put aboard the OAHU where the C.P.O.

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\* From report of Commanding Officer, U.S.S. OAHU.

quarters had been made into a temporary Sick Bay. The able bodied went on board the H.M.S. LADYBIRD.

At about 1400, these two men-of-war escorted by the KASASAJI and OTORI of the Japanese Navy began their journey toward Shanghai. At Kiangyin on the morning of the 17th, the able bodied were transferred from the LADYBIRD to the OAHU. The OAHU arrived at Shanghai and tied up alongside the AUGUSTA at 1700.

The seriously injured were transferred at once to the Marine Brigade Hospital, Shanghai, where E. W. G. Hulsebus, Cox. died of his wounds on 19 December. The other survivors were transferred to the AUGUSTA.

The Commander in Chief sent a message of appreciation to Admiral Little, R.N. for prompt and courageous assistance rendered by the British Navy. Commander Yangtze Patrol expressed his appreciation to Vice Admiral Crabbe of the British Yangtze Patrol. The secretary of the Navy wrote to the First Lord of the British Admiralty:

"The Secretary of the Navy desires to express to the Royal Navy the appreciation of the United States Navy for the prompt, able and invaluable assistance rendered by the British Senior Naval Officer Yangtze and treatment of the survivors U.S.S. PANAY, the care of her dead, and the escorting of the U.S.S. OAHU to Shanghai."

On 14 December, Admiral Hasegawa came on board the AUGUSTA and stated that he had come to apologize for the attack on the PANAY, that there was no excuse for such action, and that the Japanese were wrong. He further stated that the aviators responsible had been recalled from the front. Rear Admiral Mitsunami, commanding the naval air squadron at Shanghai was relieved of his command and recalled to Japan.

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A court of Inquiry was called by the Commander in Chief and recorded its opinion as follows:

1. "That the U.S.S. PANAY was engaged in carrying out the well established policy of the United States of protecting American lives and property.
2. "That the Japanese aviators should have been familiar with characteristics and distinguishing markings of the PANAY as this ship was present at Nanking during the Japanese aerial attacks on this city.
3. "That while the first bombers might not have been able on account of their altitude to identify the U.S.S. PANAY there was no excuse for attacking without properly identifying the target

especially as it was well known that the neutral vessels were present in the Yangtze.

4. "That it is utterly inconceivable that the six light bombing planes coming within about six hundred feet of the ships and attacking for a period of twenty minutes could not be aware of the identity of the ships they were attacking.

5. "That the Japanese are solely and wholly responsible for all losses which have occurred as the result of this attack.

6. "That the deaths of C. L. Ensminger, SK.lc. and E. W. G. Hulsebus, Cox, occurred in the line of duty and were not the result of their own misconduct.

7. "That the injured and wounded members of the crew of the U.S.S. PANAY received their wounds and injuries in the line of duty and were not the result of their own misconduct.

8. "That in considering the case as a whole and attending incidents that the court is of the opinion that no offenses have been committed nor blame incurred by any member of the naval service involved."

The American Government, on the 14th sent a note of protest and demands to the Japanese Government which replied on 24 December:

"Regarding the unfortunate incident occurring on the Yangtze River about twenty six miles above Nanking on the twelfth instant in which Japanese Naval Aircraft attacked by mistake the U.S.S. PANAY and three merchant ships belonging to the Standard Oil Co. of America causing them to sink or burn with the result that there were caused casualties among those on board, I had the honor previously to sent to your Excellency my note dated the 14th of December. Almost simultaneously however I received your Excellency's note number 800-38 which was sent by the direction of the Government of the United States and which after describing the circumstances prior to the occurrences of the incident concludes that the acts of the Japanese forces in the attack were carried out in complete disregard of the rights of the United States, taking American life and destroying American public and private; and which states that 'in these circumstances the Government of the United States requests and expects of the Japanese Government a formally recorded expression of regret and an undertaking to make complete and comprehensive indemnifications and an assurance that definite and specific steps have been taken that will ensure that hereafter American nationals interests and property in China will not be subject to attack by Japanese armed forces or unlawful interference by any Japanese authorities or forces whatsoever.'

"As regards the circumstances surrounding the present unfortunate incident I desire to state that, while it is concluded in your Excellency's Note that the incident resulted from disregard of American rights by Japanese armed forces, it was entirely due to a mistake as has been described in my note above mentioned.

As a result of the thorough investigations which have been continued since then in all possible ways to find out the real causes, it has now been fully established that the attack was entirely unintentional. I trust that this has been made quite clear to your Excellency through the detailed explanations made to your Excellency on the twenty third instant by our naval and military authorities.

"With reference to the first two items of the requests mentioned in your Excellency's note namely a recorded expression of regret and indemnification, no word needs to be added to what I have said in my aforementioned note. As regards the guarantee for the future I wish to inform your Excellency that the Japanese Navy issued without delay strict orders to 'exercise the greatest caution in every area where warships and other vessels of American or any other third power are present in order to avoid a recurrence of a similar mistake even at the sacrifice of a strategic advantage in attacking the Chinese troops.' Furthermore rigid orders have been issued to the military naval and foreign office authorities to pay, in the light of the present untoward incident, greater attention than hitherto to observance to the instructions that have been repeatedly given against infringement of or unwarranted interference with the rights and interests of the United States and other third powers; and the Japanese Government are studying carefully every possible means of achieving more effectively the above stated aims, while they have already taken steps to ascertain in still closer contact with American authorities in China the whereabouts of American interests and nationals and to improve the means of communicating intelligence thereof speedily and effectively to the authorities on the spot.

"Although the attack of the man-of-war and other vessels of the United States was due to a mistake as had been stated above, the Commander of the Flying Forces concerned was immediately removed from his post and recalled on the ground of a failure to take the fullest measures of precaution. Moreover the staff members of the Fleet and the Commander of the Flying Squadron and all others responsible have been duly dealt with according to law. The Japanese Government are thus endeavoring to preclude absolutely all possibility of the recurrence of incidents of a similar character. It needs hardly be emphasized that of all the above mentioned measures taken by the Japanese Government, the recall of the Commander of the Flying Force has a significance of special importance. It is my fervent hope that it will be fully appreciated by the Government of the United States that this drastic step has been taken simply because of the sincere desire of the Japanese Government to safeguard the rights and interests of the United States and other third powers.'

In reply the American Government stated: "The Government of the United States refers to its note of December 14th, the Japanese

Government's note of December 14th, and the Japanese Government's note of December 24th, in regard to the attack by Japanese armed forces upon the U.S.S. PANAY and three American merchant ships.

"In this Government's note of December 14th, it was stated that 'the Government of the United States requests and expects of the Japanese Government a formally recorded expression of regret, an undertaking to make complete and comprehensive indemnification, and an assurance that definite and specific steps have been taken which will ensure that hereafter American national's interests and property in China will not be subjected to attack by Japanese armed forces or unlawful interference by any Japanese authorities or forces whatsoever.'

"In regard to the first two items of the request made by the Government of the United States, the Japanese Government's note of December 24th reaffirms statements made in the Japanese Government's note of December 14th which reads: 'The Japanese Government regret most profoundly that it (the present incident) has caused damages to the United States man-of-war and ships and casualties among those on board and desire to present hereby sincere apologies. The Japanese Government will make indemnifications for all the losses and will deal appropriately with those responsible for the incident.' In regard to the third item of the request made by the Government of the United States, the Japanese Government's note of December 24th recites certain definite and specific steps which the Japanese Government has taken to ensure, in words of that note, 'against infringements of or unwarranted interference with the rights and interests of the United States and other third powers,' and states that 'the Japanese Government are thus endeavoring to preclude absolutely all possibility of the recurrence of incidents of a similar character.'

"The Government of the United States observed with satisfaction the promptness with which the Japanese Government in its note of December 14th admitted responsibility, expressed regret, and offered amends.

"The Government of the United States regards the Japanese Government's account as set forth in the Japanese Government's note of December 24th of action by it as responsive to the request made by the Government of the United States in this Government's note of December 14th.

"With regards to the facts of the origins, causes, and circumstances of the incident, the Japanese Government indicates in its note of December 24th, the conclusion at which the Japanese Government as a result of its investigation has arrived. With regard to these same matters, the Government of the United States relies on the report of findings of the Court of Inquiry of the

United States Navy, a copy of which has been communicated officially to the Japanese Government.

"It is the earnest hope of the Government of the United States that the steps which the Japanese Government has taken will prove effective toward preventing any further attacks upon or lawful interference by Japanese authorities or forces with American nationals interests or property in China."

Salvage operations were begun on 28 December. Upon arrival at the scene of sinking, divers were sent down and determined that raising of the hull was impracticable. At subsequent operations a considerable equipment was salvaged including safes containing such confidential files and publications as had not been destroyed or thrown overboard at the time of bombing, safes containing money, and ships records. Much personal property, including valuables was also recovered.

The total indemnity demanded by the United States Government included indemnity for the loss of the PANAY and the Standard Oil vessels destroyed as well as reimbursement for losses of personal property and compensation for lives lost. The indemnity was paid by the Japanese Government on 22 April, 1938 in the sum of \$2,214,007.36 U.S. Currency, divided \$1,945,670.01 for loss of vessels and other property losses, and \$268,337.35 for loss of life and personal indemnification. Upon conclusion of this payment, the PANAY affair was considered amicably and satisfactorily settled.

A Board to Recommend Awards was convened on board the U.S.S. AUGUSTA on 8 January, and forwarded its recommendations to the Navy Department, which in June, 1938, made the following awards:

1. The Navy Cross to:

Lt. A.F. Anders, U.S.N.; Lt. C.G. Grazier, (MC), U.S.N.;  
J. H. Lang, CQM.; E. R. Mahlmann, CBM.;  
E. W. G. Hulsebus, Cox. (posthumous); J. T. Murphy, Cox.;  
A. R. Wisler, RM.1c; A. Kozak, MM.1c;  
M. V. Williamson, F.1c; R. Peterson, RM.2c;  
W. Cheatham, Cox.; S. W. McEowen, Sea.1c;  
C. S. Adams, RM.2c; R. H. Hebard, F.1c;  
J. N. Hennessy, GM.2c; C. H. Kerske, Cox.;  
J. I. Hodge, F.1c; M. D. Rider, Cox.;  
E. E. Cowden, Cox.; J. A. Bonkoski, GM.3c;  
J. A. Dirnhofer, Sea.1c; G. L. Weimers, MM.1c;  
H. W. Truax, BM.1c.

2. Letters of Commendation and Navy Expeditionary Medals to:

Lt.Comdr. J. J. Hughes, U.S.N.  
T. A. Coleman, C.PhM.; and Y. T. Erh, Matt.1c.



The Commander in Chief recommended award of Navy Expeditionary Medals to the foreign civilians on board the Socony Vacuum Ships: Messrs. Pickering, Sherwood, Mender and Blasina on the MEIFING; Jorgensen and Goldie on the MEIHSIA; and Carlson (posthumously) on the MEIAN.

Following the recommendation of the Commander in Chief, approved by the Navy Department and the President, the Congress authorized award of the Distinguished Service Medal to Rear Admiral Reginald Holt, R.N., and Captain O'Donnell, R.N.; and the Navy Cross to Vice Admiral L. G. E. Crabbe, R.N. and Lt. Comdr. H. D. Barlow, R.N.

The War Department awarded the Distinguished Service Medal to Captain F. N. Roberts, U.S.A.