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THE TIENTSIN INCIDENT (1939)
A CASE-STUDY OF JAPAN'S IMPERIAL DILEMMA IN CHINA.

Submitted to the University of London as an application
for a PhD degree in the Faculty of Arts by Sebastian P.
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Abstract of Thesis

This is a study of an incident that took place in North China when the Japanese Army decided to institute a blockade around the British and French Concessions at Tientsin on 15 June 1939. This precipitated a serious international crisis between Japan, Britain and China, although other countries, in particular the United States and France, were also involved. The crisis was in large part defused by the middle of September 1939, although the blockade of the British and French areas would not be lifted until June 1940.

This was one of many incidents between Japan, China and the western imperial powers in Asia that occurred in the wake of Japan's invasion into China, particularly from July 1937. The object of this study is to determine why, unlike many of these other events, the Tientsin Incident escalated into a crisis and how it could be defused almost nine months before the blockade of the British and French Concessions would eventually be raised.

This is a multi-archival work. But particular emphasis has been put upon the analysis of Japanese primary materials in order to discover the light this Incident can shed upon the nature and problems of Japanese imperial expansion into Asia, and how this affected the course of Anglo-Japanese relations. We examine the extent to which the political dynamics of this conflict were decided by the situation in

Tientsin as opposed to the conflict in China as a whole and the tensions that it was putting on Japan's body-politic. We also examine to what extent the Incident acted as a catalyst in promoting a more confrontational relationship between Japan and the Western Powers. Finally, we try to make an assessment of the implications of this event both for China and other Asian countries that would later follow China's lead in seeking to deal with their foreign imperial conquerors -- Japanese or Western -- upon a more equal footing.

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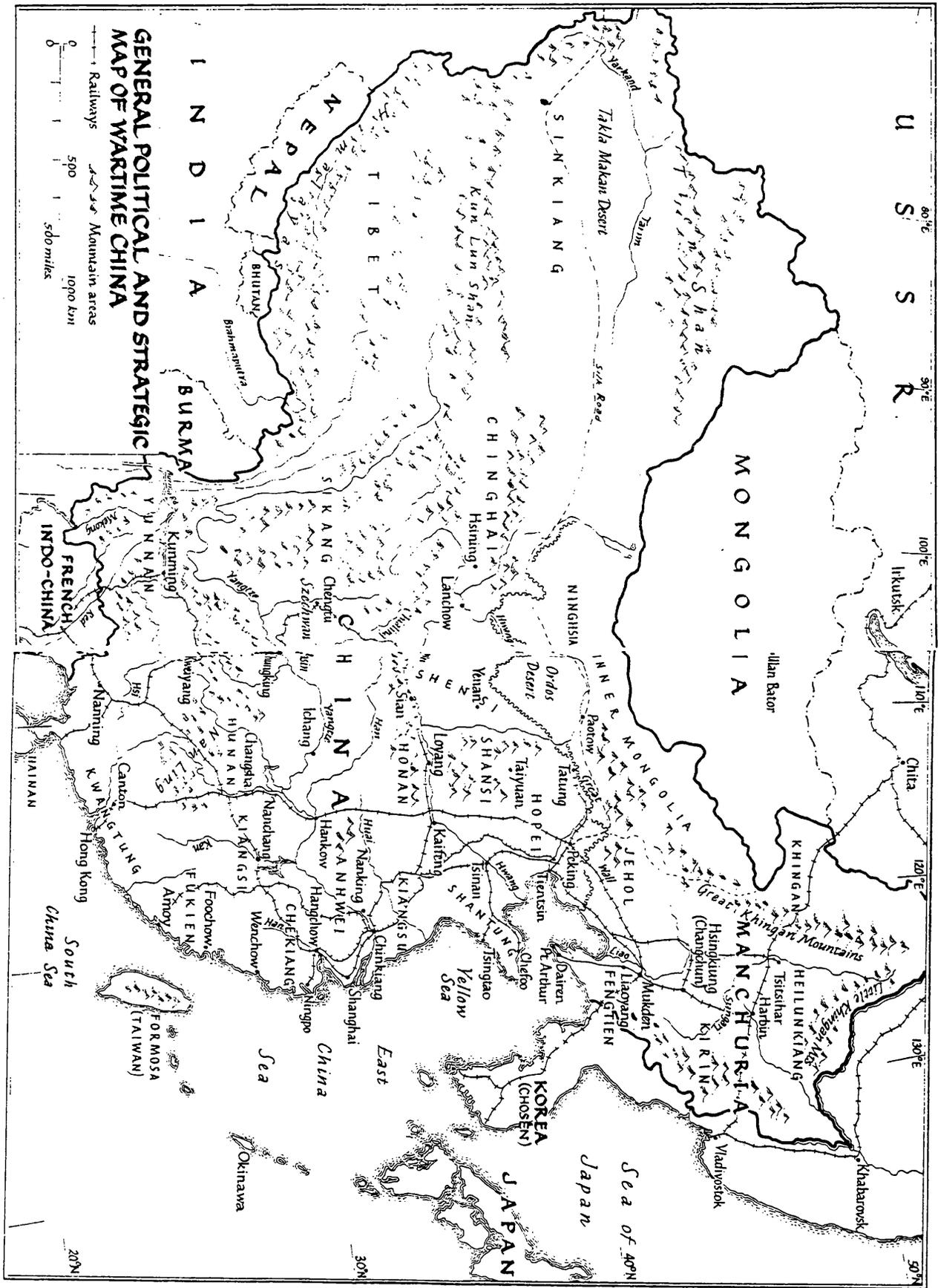
The maps on pages six and seven are from Total War, Volume II: The Greater East Asia and Pacific conflict by Guy Wint and John Pritchard and from Shanghai and Tientsin by Francis Jones. In the text, I follow the Asian custom of writing Chinese and Japanese family names first and given names second. I follow the traditional Wade-Giles form of romanizing Chinese names.

I would like to take the opportunity of expressing my gratitude to everyone who has helped make this project possible. Particular thanks go to Professor Usui Katsumi, my advisor in Japan, for all his patient help in getting me acquainted with the Japanese materials. I also wish to express my deepest gratitude to Professor Nish, my advisor at the University of London, for all the help and friendship he has given me over the years. The errors that remain in the text are mine alone. But without his help, encouragement and criticism, I would not be in the position of being able to bring this project to fruition.

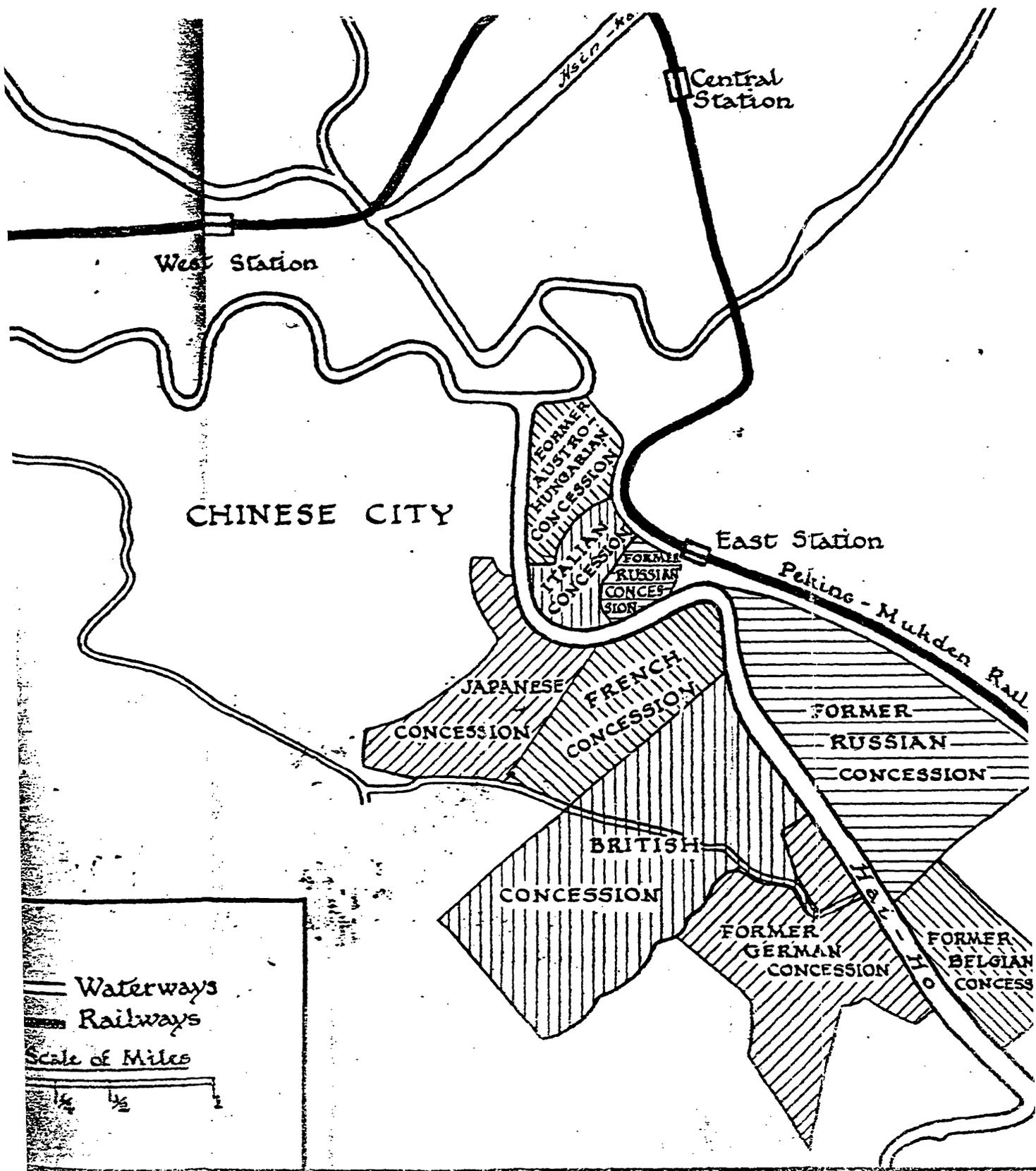
Finally, a particular "thank you" to my wife, Niki DeWitt, and children, Rafi and Ayisha, for their encouragement and tolerance. The completion of this work is also largely due to them.

Sebastian Swann.

23 November 1998.



MAP 1



Preface

This is a study of the process by which an insignificant administrative dispute between Japan and Britain in North China escalated into a sufficiently serious international crisis for the British Foreign Secretary to admit that it was "causing him more anxiety than the (British) position in any other part of the world."¹ Why and how did this happen? To what extent can it be seen as part of an international crisis that led, with Japan's attack on Pearl Harbour in December 1941, to the globalization of ^{the} Second World War? What can be learnt from this Incident about the relationships between Japan and the Western Powers, and the latter's relations between themselves? What was the implication of their activities for China?

Many of these questions have been addressed by Western historians. But in contrast to the starting point of many of their studies, which have been primarily or exclusively written from a British or Anglo-American viewpoint, I have been interested in approaching this incident as a case study of Japanese imperial rule. While in Japan, I was able to examine extensive Japanese military and Foreign Ministry archival material, in particular thousands of pages of Foreign Ministry diplomatic and consular communications, surveys, police reports and press articles.² With the aid of these and other sources, I have attempted to place this

event within the context of Japan's occupation of China, its relations with other foreign states and its domestic political situation. What light can the Tientsin Incident shed on these other areas of Japanese political life, and to what extent was the Tientsin Incident affected by them?

The Tientsin Incident was one of many stand-offs between Japan and the Western Powers as its military forces expanded into China between 1937 and 1939. These incidents included the ^{wounding} killing of an ambassador in battle, the bombardment of naval vessels and numerous smaller acts of provocation directed against missionaries and other foreigners resident in China. In May 1939, Japanese troops invaded an international settlement in an island (Kulangsu) off a port city in southern China. Yet these disputes were usually settled locally, with the Japanese sometimes offering formal apologies and reparations. In Kulangsu, the situation was resolved by a joint-British-French-United States military landing which caused Japanese troops to beat a retreat and come to an agreement -- a textbook example of the time-honoured formula of gunboat, flag and Caucasian fortitude carrying the day, even when Western Empires were supposed to be in their twilight.

As a local incident, the Tientsin affair was not notably different from some of these other problems. Yet, unlike them, it was not solved locally, but erupted into an

international crisis after the imposition on 15 June 1939 of a blockade of the British and French Concessions by Japan's North China Army. Although the crisis has generally been considered to have come to an end by the beginning of September, the blockade was not actually lifted until June 1940. In other words, a problem that was not intrinsically insoluble escalated into a political crisis that was then 'defused' months before the event was actually 'resolved'. For this to happen, the course of the Incident had to be determined largely by factors that were not sui generis to the situation at Tientsin.

One of these factors was the expansion of the Fifteen Years War. The blockade of the Concessions at Tientsin occurred almost two years after Japanese troops initiated the "China Incident," the second phase of their invasion of China that extended their reach from Manchuria, which was taken over in 1931, to large areas in the North, Middle and South of the country. Initial Japanese expectations were that "China would soon throw up its hands and quit": in the words of the War Minister, "we'll send large forces, smash them in a hurry and get the whole thing over with quickly"; all that would be required was "three divisions at first" and, "if the fighting spread, two more divisions would be enough."³

By the end of 1938, there were 23 Japanese divisions in China (about one million men), ~~a figure that would expand by 1944 to 58 (1,850,000 soldiers)~~.⁴ Initial Japanese success against Chinese armies in North and Central China -- including some particularly savage campaigns in Shanghai, Nanking and points west on the Yangtze River with appalling Chinese civilian as well as military losses -- gave way to an explosion of guerrilla-led, anti-Japanese resistance, especially in the North. With hundreds of thousands either directly involved in or sympathetic to Chinese partisan activity, an enterprise that Japanese leaders did not expect would last more than a year had by 1939 cost hundreds of thousands of Japanese casualties⁵ and "a staggering 40 to 50% of Japan's entire national budget" that was being appropriated for the war effort.⁶ Yet, as the invasion expanded, Japanese occupying troops saw their real power reduced to a tenuous control over "points" (cities) and "lines" (railways, roads and canals linking them), with their own personal safety increasingly at risk.

About forty miles from the sea and 120 miles from Peking, Tientsin was one such "point" of attenuated Japanese control (see map one). Tientsin was a city of about one-and-a-half million located not far from the mouth of the Hai-Ho River in Hopei Province at a junction where the Peking, Manchuria and Shanghai railway lines converged. In the years

up to 1937, it had developed into an important regional commercial and trading centre, containing in particular a thriving Chinese textile industry that, at its height, processed perhaps as much as 50% of all Chinese raw cotton. But with huge increases in Japanese-sponsored smuggling activities, especially from July 1937, these enterprises were put out of business and taken over (at knock-down prices) by Japanese competition, which benefited from the illegal entry of Japanese cotton piece goods into other areas of East Hopei.⁷ As the city became subject to Japanese military control, Tientsin's officially sanctioned trade, as well as the tariff revenues it produced, dried up.

Apart from its importance as a regional centre, Tientsin was also a Treaty Port, one of the seaboard locations designated by Britain to be an area of foreign commerce and trade after its victory in the Opium wars of the mid-nineteenth century. As a result, the city became peopled by communities of foreigners residing in special areas, which were called "Concessions," where they could live, do business and engage in foreign trade according to the laws of their own countries. For the western powers, these privileges never resulted in Tientsin becoming an important trading area. Countries such as Britain shifted their focus from trade to finance, investment and the export of capital goods -- with financial and government interests

at Shanghai the main source of attention. Partly as a consequence of this, the number of Concession holders at Tientsin had by 1939 declined to Britain, France, Japan and Italy (see map two). Augmented, however, by relatively large numbers of White Russians, some Americans and many thousands from the Japanese colonies of Korea and "Manchukuo," the entire expatriate community still amounted to a significant presence (at least 15,000).

While the Western powers generally failed at Tientsin to convert extra-territorial privilege into substantial economic gain, for Japan this was not the case. Even before North China had been invaded, the Japanese Concession at Tientsin had been crucial in the build-up of a major underground narcotics economy. Aided, abetted, monopolised and taxed by the Japanese military, its Special Services and the "Manchukuo" government, poppies from Manchuria, Jehol and increasingly North China, together with heroin from the Japanese-controlled leased territories at Dairen, were smuggled into the Japanese Concession at Tientsin for processing, sale and reexport. Opium was estimated in 1933 to have been "one of the three largest sources of government revenue" in "Manchukuo"; by 1940, largely as a result of Japanese smuggling, the destruction of the Chinese Maritime Customs administration, the military invasion of North China and the rescinding of the anti-narcotics laws by the Japan-

controlled Provisional Government, as much as "35% of all capital invested in new business in Tientsin went towards setting up new opium shops and dens."⁸

This had ramifications for Japan's relations with the other foreign powers at Tientsin. The explosion of anti-Japanese guerrilla activity as a result of the Japanese occupation had resulted in Japanese soldiers and their Chinese puppets being killed all over Tientsin, including in some of the foreign enclaves. It was therefore easy for Japanese officials to suspect that the foreign concessions had become 'havens' for anti-Japanese 'terrorists' and blame the declining security situation on the absence of appropriate anti-terrorist procedures in the foreign areas. But with the Japanese Army's involvement in the narcotics' trade, it was arguably Japan's actions that were primarily instrumental in increasing the disorder, pandemonium, local unrest and indigenous Chinese hatred for the Occupation that was responsible for Japan's soldiers' lack of security.

Both Japanese and British officials were later to characterize their dealings over Tientsin in terms of a quest for 'security'. But, given the destabilizing nature of the Japanese Army's other activities, questions concerning the origin of such unrest, how much responsibility the concessions (particularly Britain's) bore for it and the extent to which the pursuit of order and security were ever

realistic or sincerely held Japanese objectives need to be examined. If the Concessions were not primarily responsible for Japan's declining law and order situation, why was Japan so keen to portray them as such? Was the security issue used as a front to cover up ulterior motives? If so, how much did they have to do with the destruction of China, the undermining of British prestige, or a desire to hide the seriousness of the 'China Incident' from an increasingly restive Japanese population by blaming Britain and other Western powers for Japan's continuing woes?

An examination of such questions cannot take place without studying the economic significance of the besieged areas. While not ultimately important in expanding their home countries' commercial penetration into China, the British and French enclaves housed Chinese banks that, since the national Chinese currency was established in 1935, acted as local reserve repositories for the managed currency. Wanting to eradicate the Chinese notes by strengthening the backing of the alternative puppet currency, the North China Army demanded that the British and French Concessions hand over the reserves and prohibit the use of Chinese currency. But Britain was unwilling to accede to Japanese wishes.

The reason for Britain's intransigence is a topic of some debate. In an attempt to advance the notion that the Pacific War was caused not by Japanese aggression but

"American-British-Chinese-Dutch (or ABCD) encirclement" of Japan, conservative Japanese historians have tended to regard Britain's support for China's national currency as a political rather than an economic act. It was perceived to be a way of surreptitiously supporting China's war effort against Japan, while making it more difficult for the United States, which also supported China's currency, from staying aloof from Britain's affairs. With Washington's declaration on 26 July 1939 that it would abrogate its Commerce Treaty with Japan, the Tientsin Incident has been viewed increasingly in the West as a catalyst in bringing about a more forthright United States commitment to the defence of western interests in Asia against Japanese encroachment.

There is no doubt that, with the Great Depression, Japan's exclusion from western-controlled markets and western opposition to the development of a compensating Japanese empire in China, tensions between Japan and the Anglo-American powers were considerable. In addition, each Japanese expansion into Asia increased its economic dependency, particularly for strategic materials, on western markets. But the extent to which such tensions impinged upon the situation at Tientsin is difficult to determine. Would China's currency really have been eradicated from the North had the British Concession acceded to Japanese demands? Even if Britain wanted to forge a closer relationship with the

United States to impose joint-economic sanctions upon Japan, was such a desire shared by the United States? To what extent might US policy have been determined rather by the extensiveness of its economic links with Japan and its minimal economic involvement in North China? Was the US treaty abrogation declaration really linked to a disapproval of Japanese actions in China and a desire to strengthen British backbone in currency negotiations in Tokyo? Or did other factors predominate?

Many of these questions are examined in the following pages. Some of them do not easily lend themselves to definitive resolution. But in seeing this Incident primarily in terms of facilitating a reconstituted Anglo-American alliance in Asia, there is a danger of underestimating the extent to which conditions in 1939 were uncertain and in a state of flux. At least to many participants at the time, it was not clear that tensions between Japan and the Anglo-American powers would necessarily resolve themselves in war. In assessing why this Incident was transformed into an international crisis, other factors must also be taken into account.

One of these was the decision to move the negotiations from Tientsin to Tokyo. It has generally been assumed that, in convening the talks far from the scene of the Incident itself, cooler heads would prevail that would make chances

for a mutually agreeable solution more likely. But, by letting negotiations be moved to Tokyo, the possibility increased that the Tientsin Incident would be caught up in other struggles. One of these was a long-standing Foreign Ministry agenda seeking to overturn or make irrelevant Britain's commitments to the League of Nations, the Nine Power Treaty and the interwar collective security treaty system. In addition, the high-profile nature of the talks was likely to arouse public comment, particularly from a burgeoning anti-British movement that increased dramatically in size over the summer of 1939.

The role of the anti-British movement in Japan is examined in some detail. This movement initially sought to do not much more than hold Britain responsible for the obstacles Japan continued to encounter in failing to bring the "China Incident" to a successful conclusion. But the movement rapidly gained strength from June 1939 as the government became irreconcilably divided over whether to conclude a military alliance with Germany. Taking advantage of the political vacuum that was thereby created as well as the easing of restrictions upon anti-British campaigning that went into effect about the same time, anti-British activists organized huge demonstrations of sometimes more than 100,000 people in which the pro-German, anti-British cause became inextricably intertwined with a more

traditional right-wing agenda that sought to 'purify' the state. As a result, a political atmosphere was created in which those reputed to be willing to settle for anything less than a complete British acceptance of Japanese terms risked being accused of defying the Imperial Will and betraying Japan's national interests -- something that could invite the assassin's bullet, or perhaps provoke attempts to take over the government by force.

In assessing why this Incident developed as it did, this study lays particular emphasis on the growing impact of Japanese domestic politics. It also highlights the blatant attack by Japanese occupation authorities on China's sovereignty as a state and nation. But how these factors became important can only be understood within the context of the situation at Tientsin itself. The interplay of such local and external factors is one of this study's most important concerns.

This study examines a broad spectrum of developments. In a description of the affair's origins (Chapters One and Two), attention is given to the military situation at Tientsin. In Chapters Three and Four, the impact of the North China currency war, the military-sponsored anti-British movement in China and the Japanese Foreign Ministry's desire to use the Incident to promote changes in British foreign policy towards Asia is assessed. Chapters

Five and Six deal with the process by which it was decided to convene a conference in Tokyo, and how this decision affected and was affected by the growing anti-British movement in Japan. Chapters Seven and Eight deal with the political and security discussions that were held in Tokyo; Chapter Nine examines the course of the economic discussions and the Conference's breakdown in late-August. Chapter Ten examines the 'depoliticization' of the Incident, together with the reconvening of talks, the economic and police agreements that resulted from them and the lifting of the blockade in June 1940.

It is, to an examination of conditions in Tientsin that we must now turn.

Chapter One: The Origins of the Tientsin Incident

The Concessions

The source of many of the difficulties between Japan and Britain over Tientsin can be traced to the changing role and composition of the foreign concessions. As blocs of land that foreign powers had forced the Chinese government to lease to expatriate families, the concessions were intended to be areas exclusively inhabited by foreigners who, under extraterritoriality, would be subject to their own rather than Chinese laws. On this basis, Britain, France, Japan, Italy, Germany and the United States became concession or settlement holders in Tientsin, Shanghai and a number of other urban areas on the Chinese eastern seaboard, in which their expatriate communities were meant to carry on trade and other activities with the minimum of Chinese interference or oversight.¹

Things did not, however, turn out as planned. With industrialization and the influx of foreign capital, foreign powers put pressure on the Chinese government to permit the establishment of factories within concession areas, together with the necessary infrastructure to sustain them. Requiring a Chinese workforce, this development helped ensure that areas once earmarked for foreign settlement only became transformed into predominantly Chinese areas of residence and employment. The 1866 Land Regulations stated, with

reference to the British Concession at Tientsin, that only "British subjects may rent land in the British settlement" and that "in no case shall a Chinese subject be permitted to do so."² But, by 1939, about 75,000 out of the approximately 77,000 residents within the British enclave were Chinese, a pattern observable in the other foreign settlements.³

This created unforeseen problems. Unlike the case with leased areas such as Hong Kong and Dairen, concession holders were never granted authority over Chinese nationals in their areas, a legal oversight that made any negotiations between foreign powers over the fate of such people technically illegal, especially if discussions were held without China's participation or consent.⁴ Another issue, that particularly concerned Japan, was whether these areas would remain subject to expatriate control. With foreigners so heavily outnumbered by Chinese, it was not clear whether the small cadre of foreign officials in charge could ensure that the concession remained immune from the massive wave of anti-Japanese sentiment that had inundated surrounding areas in the wake of expanding Sino-Japanese hostilities since 1937.⁵

This was not an insignificant problem. Despite its early victories against Kuomintang armies in Central and South China, Japan was soon facing an insurgency campaign in the North that put its troops very much on the defensive. To

combat the power of a Communist-led guerrilla insurrection that by Japanese estimates had expanded during 1939-1940 to about 200,000 armed partisans and 800,000 sympathizers,⁶ the Japanese military had hastily expanded the size of its forces in China to over a million men, with five new divisions being created in 1939 to deal with guerrilla uprisings in the North East alone.⁷

One of these occurred in February 1939 when, in just two or three weeks, Japanese troops clashed with 50-70,000 Chinese guerrilla fighters in central Hopei, in what Japan admitted to be an unsuccessful attempt to prevent the Chinese Communist Army from "extending its influence... from Wutai and central Shansi province to Hopei and southern Shantung."⁸ This was particularly significant in view of the fact that Hopei was situated close to coastal regions and far away from the partisan-dominated mountains of Shansi, Shensi and Shantung. Yet even here, in what was assumed to be one of the occupied areas least likely to be subject to guerrilla influence,⁹ evidence of infiltration by the Chinese Red Army was apparent from as early as August 1938.¹⁰

As a result of these developments, the influence of the Japanese occupation had been reduced to a tenuous control over major cities and lines of communication. A significant political, economic and communications centre surrounded by

an increasingly hostile countryside, Tientsin had become, according to Japanese military police, the target of nationalist groups linked both to Chungking and the communist-led Eighth Route Army.¹¹ Situated in the plains of East Hopei about fifty miles from the coast, Tientsin, like Peking, located some 150 miles to the West, was one of the most heavily Japanese-occupied areas in North China. Yet as a result of the resistance activities taking place in the surrounding provinces, even here, all it took was "a two or three hours walk" out of the city to "bring one into the partisan area," with "guerrilla bands," according to another source, "active in the immediate outskirts of the city" from the autumn of 1938.¹²

According to the Japanese military police, one of the most dangerous of these groups was a 4,000-strong underground "army of national salvation" (chugi kyukoku gun), or Ninth Route Army. Supposedly under direct orders from Chungking, this squad had infiltrated Tientsin in early 1938 and, from March of that year, organized into cells in order to assassinate collaborationist officials and Japanese soldiers. The Japanese police believed that the adjoining British and French Concessions had been used by this group to hide at least four of its main leaders and much of its equipment, including over 4,000 guns, automatic rifles and a number of radios.¹³ It was also believed that the Concessions were

being used to plan assassinations, house other anti-Japanese activists on the run and gather and propagate information -- mainly through unlicensed radio -- about troop movements and other aspects of the occupation.¹⁴ The Japanese further suspected that certain Chinese officers within the British Municipal Police Force had links to, and were perhaps even bankrolling, some of these groups.¹⁵

Increasing concern about such activity spilling into foreign enclaves produced tension between Japan and other concession holders. Since there were numerous concessions in Tientsin, it was not simply the British enclave that could be used as a base by Chinese partisans. But the United States and Germany had abandoned their settlements, while the enclave belonging to Italy, a country that, together with Germany, Japan was engaged with in negotiations for a military alliance, was located on the other side of the river apart from the other concessions and seems to have been regarded as a friendly area (see map 2). Although the French Concession had caused considerable concern, the authorities had since late in 1938 made a point of bending over backwards to comply with Japanese demands. This included expelling political activists whom the Japanese believed evaded capture by escaping into the contiguously situated British settlement. In view of the rumoured links between guerrilla groups and members of its municipal police

force, the British Concession -- which as part of the extra-territorial system had performed an historical role of enabling foreign powers jointly to increase their influence at China's expense -- was perceived by Japanese troops to be a real threat to their security.¹⁶

Conditions Within the British Concession in Early 1939

Although the Japanese were concerned that the British Concession had become a security risk, the settlement had already severely restricted the activities of Chinese citizens within its boundaries. Unless sanctioned by Chinese law and approved by the Chinese government, the imposition of any restriction by the British authorities upon Chinese nationals within their enclave was technically beyond Britain's extra-territorial mandate. Yet, in an ongoing effort to please the Japanese in any way they knew how that went back at least to the autumn of 1937, the British Concession authorities, despite the absence of legal entitlement, had subjected Chinese media outlets and schools to strict censorship, imposed surveillance over public meetings, curtailed the import of weapons, restricted the use of wireless transmitters to prevent information leaks on Japanese military and other activities to the Chinese resistance, and had imposed severe penalties on those

implicated in nationalist activities even of a non-violent sort.¹⁷

These controls were pervasive. "No political meetings," according to Sir Robert Craigie, Ambassador to Japan, were "allowed to be held in the British Municipal area" "under (existing) regulations,"¹⁸ a claim that the Japanese did not deny. According to British officials in Tientsin, the only newspaper printed in the Concession (Peking and Tientsin Times) invariably toed "the official (i.e. pro-Japanese) line"¹⁹ and the others that were circulated were printed in Japanese-controlled areas.²⁰ All were therefore "sanitized" of anti-Japanese bias, as apparently were all movies.²¹ In response to Japanese complaints during the summer of 1938, the British had also stamped out the dissemination of anti-Japanese leaflets and other propaganda²² and had pressured Concession schools to eliminate derogatory references to Japan in their curricula. From early 1939, these institutions used textbooks approved only by the authorities of what Britain officially regarded as an illegitimate Japanese regime of occupation and the organs of the diplomatically unaccredited Provisional Government.²³

A particularly rigorous aspect of the British control regimen seemed to have concerned the manufacture and trading of weapons and ammunition. Because "dangerous substances" were "subject to license" -- something that, according to

British officials, was rarely granted and only applied for short periods of time (not more than three months) -- there were supposedly no trading firms within the Concession dealing in these articles and very few establishments authorized to sell them. The possession of arms was also "subject to license" and seemed to have been very closely controlled.²⁴ One consequence of this was that no caches of illegal arms had been discovered within the Concession. While this did not mean that no such weapons existed, the eagerness of the British police to act upon information received from Japan in this regard suggested that illegal gun-running was no more of a security problem within the Concession than in the surrounding areas.

The effect of these measures was far-reaching. While unable to immunize the Concession from nationalist activity, the British authorities had been able to ensure that no anti-Japanese (i.e. political) act of violence had taken place within their municipal area.²⁵ For ordinary acts of violence and other criminal activity, which were more common, the authorities routinely executed arrest-warrants issued by the Tientsin District Court, handing over without question those whom the Chinese puppet court wished to prosecute. With the disappearance of anti-Japanese literature and posters from the autumn of 1938 onwards, the British had constructed a system of repression ensuring the

absence of anti-Japanese acts of violence since 1937 and the elimination of almost all public expressions of hostile sentiment towards Japan since the beginning of 1939.²⁶

With conditions outside the concessions deteriorating so quickly, the autonomous status of the foreign areas meant that even the absence of anti-Japanese activity within the British enclave did not alleviate Japanese concerns, or stop their criticism. But the extent to which the British authorities had travelled in the direction of appeasing Japan was remarkable. The major assassinations, bombings, arson and other anti-Japanese acts of violence that were occurring took place within the French Concession, the Japanese Concession and the Chinese city, not the British municipal area. With virtually a clean sheet in this regard, the British appeared to be suppressing anti-Japanese activity with greater zeal and efficiency than anyone else, including the Japanese and their Chinese collaborators.²⁷

Treatment of Political Suspects

Although there had not yet been a recorded anti-Japanese act of violence within the British Concession at Tientsin, British and Japanese officials assumed that the Concession authorities would, if such an act occurred, follow procedures developed in foreign settlements such as Shanghai, where political acts of violence were more common.

In these areas, the procedures for dealing with political and criminal suspects developed by the authorities gave the Japanese an important role in their apprehension and examination.²⁸

What would happen when an anti-Japanese political act had been committed was broadly as follows. Anyone suspected of complicity in such an activity -- something that could be defined merely as being a member of a "terrorist" group -- would be investigated by Japanese as well as British police to establish grounds for assuming that the internee might be guilty of the crime. If the determination was positive, those arrested for non-violent political activities would be expelled (most likely in the case of the British Concession at Tientsin transferred into Japanese hands since there was no other place to escape to), while those arrested for violent crimes would be handed over, not to any organ of what the British government recognized to be the legitimate government of China, but to the Japanese military authorities or the puppet-controlled courts.²⁹

In justifying these procedures, the British emphasized that they were not simply doing Japan's bidding. As the argument went, British settlements in occupied China had to cooperate with de facto local government entities because the authority of the Chinese Government in these areas had disintegrated in the wake of widening Sino-Japanese

hostilities. Such an arrangement would obviously entail the possibility of many Chinese being handed over to the judicial organ of a regime that London and Chungking believed to be unlawful. But, according to Britain's line of thinking, handing over suspects after a period of British internment would at least make it more likely that culprits eventually transferred out of British custody had violated Chinese law rather than simply been victims of trumped-up charges from the occupying power.

While in certain respects persuasive, these arguments ignored -- and were perhaps being put forward deliberately to hide -- the fact that Japan stood to profit greatly from such arrangements. As well as having suspects arraigned on the basis of Japanese information, Japanese military police also had the opportunity of taking suspects who were British internees into their temporary custody for interrogation. According to procedures developed at Shanghai, confessions obtained by interrogation would be accepted as genuine as long as suspects, once returned to British custody, showed no bodily marks of torture. This caveat did not, however, prevent interrogators from using any coercion (such as water torture) that did not show such marks. On the basis of information gleaned from such interrogations, the Japanese could then get the suspected culprits to reconstruct the crime in front of Japanese and British officials.

The interrogation was the crucial part of the entire process. In contrast to the re-enactment of the crime by the suspects in front of Japanese and British representatives (tachiai), interrogations were strictly off-limits to the British. Apart from shielding them from viewing the torture that was no doubt going on, the reason for this was also to protect any information or intelligence that was extracted from the suspect over and above the bare bones of the confession of the crime for which he or she was being charged. This gave Japanese military police an opportunity to develop a case against the suspect under examination, while obtaining information about other anti-Japanese activists without having to inform the British authorities of its findings.³⁰

As could be imagined, these procedures had dire implications for the Chinese. Not only had the British agreed to hand over those suspected of violent acts or involvement in a "terrorist" organization to the local courts; they had also invited the Japanese police to interrogate suspects officially in British custody but with no effective British oversight. The object of the entire procedure was simply to build a prima facie case -- which would only establish possible, as opposed to probable, guilt or guilt beyond a reasonable doubt -- on which the culprit's handover would be justified. Because British officials in

China were generally so keen to cooperate with Japan, it was always likely that most criminal suspects would be handed over on the basis of unproven Japanese intelligence, and that the Japanese military would be given advance warning of the likely date, time and place of the expulsion of non-violent activists so that they could be ambushed by Japanese forces as they left.³¹

The Internment of Ssu Ching-wu

Since this procedure was so heavily weighted against the defenders, the Japanese authorities had no basic quarrel with its rationale. Whitehall justified such procedures in terms of the need to establish practical methods for ensuring, during times of anarchy, execution of Chinese law (as opposed to the whim of the occupier). But, as the Chinese Government pointed out, Britain's decision to hand over Chinese subjects to "local authorities" that had not appeared as a result of the disintegration of central government, but were installed as "the mouthpiece of a foreign invading army" specifically committed to speed such "disintegration," could be viewed as a "de facto recognition of an illegal regime."³² At the very least, arguments designed to highlight Britain's seeming impartiality were being used to justify a procedure whereby people over whom Britain had been granted no authority were delivered to the

judicial organ of what London agreed was an illegal regime without the consent of a government Britain recognized to be the legitimate sovereign of the whole of China.

While clearly tailored to Japanese needs, this procedure had not invariably been applied according to Japanese expectations, or in a particularly consistent fashion. Problems in this regard became apparent from September 1938, when the British Concession authorities arrested self-confessed guerrilla leader Ssu Ching-wu and four accomplices, whom both Japanese and British officials suspected of being involved with criminal actions outside the Concession such as the blowing up of railway lines, kidnapping and currency counterfeiting operations.³³ The Japanese believed that Ssu had entered the British Concession to plan further anti-Japanese acts of violence and wanted him handed over immediately. This suspicion was confirmed in the opinion of local British officials by Ssu's explanation for his being in the Concession: treatment for a skin condition on his hand.³⁴ The British Consul-General concluded that the flimsiness of Ssu's excuse constituted grounds for believing that he was involved in less innocuous activities, and that he should therefore be handed over.³⁵

According to Foreign Office guidelines drawn up in August 1938 for the Tientsin Concession, suspects should be "handed over to the de facto authorities for trial" in

"cases of assassination or other serious crimes in which internment is not sufficient deterrent."³⁶ But, in an unexpected rebuff to the Japanese, the British Municipal Council was ordered by the British Ambassador in China not to hand over Ssu and his accomplices, who were interned within the Concession instead. The British maintained that they could intern Chinese suspected for involvement in political activities -- even if violent -- so long as such activities took place outside the British Municipal Area.³⁷

There was no legal basis for such an argument. Under extra-territoriality provisions, Britain had been granted no governmental authority over any Chinese national anywhere in Tientsin. In fact, according to Article 21 of the 1858 Treaty of Tientsin establishing extra-territoriality, Britain was specifically obligated to hand over "Chinese offenders take(ing) refuge in the houses.. of British subjects at the open ports" to the "Chinese authorities" upon "due requisition addressed to the British Consul."³⁸

Because the local Chinese court was a judicial organ of a regime to which Britain had not accorded diplomatic recognition, the existence of this provision did not necessarily mean that the British authorities at Tientsin should hand over Chinese suspects to such an authority. But, had Britain refused to deliver Chinese suspects on the grounds that the local Chinese court was illegitimate, the

British would have had to refuse to execute any arrest warrant emanating from the de facto authorities. Unfortunately, in their desire to curry favour with the Japanese military, as well as to deal with a problem they were ill-equipped to handle themselves, the British had been handing over to the local authorities Chinese implicated in non-political crimes of violence that had been occurring within and without the British Municipal area for almost two years.³⁹

This put the British in a very sticky legal situation. By acknowledging that the Japanese-installed regime had administrative and judicial powers over at least some Chinese within the Concession, London was destroying the sole basis for arguing that the British internment of Chinese suspects at Tientsin was not necessarily illegal in this particular case. It did not make sense for Britain to argue that it could not hand over political suspects to the de facto authorities on account of their illegitimacy if it had already agreed that the same authorities had administrative and judicial powers over other categories of Chinese offenders.

Britain's inconsistent application of its extra-territorial obligations played into Japanese hands. The Foreign Ministry argued that it was the "Chinese government in the Tientsin area," not the British, that had "the right

to exercise judicial and administrative powers over the Chinese residing in the... Concession."⁴⁰ Whether the Chinese government in the Tientsin area was the legitimate representative of the Chinese people was naturally open to question. But in their insistence that Chinese nationals be administered by Chinese governmental institutions, the Japanese argument at least had some consistency. The British position had none. There was nothing in the extra-territoriality provisions to suggest that a Chinese court had sufficient legitimacy to try non-political Chinese suspects but not political ones, or that the body to decide who constituted a political as opposed to a non-political suspect should be a Concession-holding foreign power rather than the Chinese themselves.

Japan Pressures Britain to Improve Co-operation

Assuming that internment someone wanted for violent anti-Japanese acts outside the Concession would simply encourage others to use the area as a base for their own activities, the Japanese authorities regarded the British decision to intern Ssu and his accomplices as a hypocritical and unfriendly action. Their response was predictably hostile, with actions ranging from proclamations urging foreigners and Chinese to leave the Concession, which appeared with increasing frequency from October 1938, to the

imposition of blockades around the enclave (between December 1938 and February 1939) designed to inconvenience Chinese entering and leaving the area.⁴¹

Another tactic mentioned by Nationalist newspapers and British officials was the covert encouragement by Japanese military officials of terrorist gangs within the British Concession and other settlements to commit acts of violence. Completely at odds with Japan's professed desire to uphold stability and order, this type of action was designed to reveal the impotence of foreign authorities, make it more difficult for them to resist Japanese demands for increased oversight or control of their activities and create a pretext for Japan to take over these areas later should that come to be considered necessary.⁴²

Although disappointed by British actions, Japanese officials did not allow their negative reaction to get completely out-of-hand. Grudgingly accepting the British Municipal Council's decision to intern Ssu, the military made clear, through a policy of threats and inducements, that the price of their acquiescence would be a considerably heightened level of local British co-operation in the future. The first step in this process was the North China Army's appointment of Lieutenant-General Homma Masaharu to command the Japanese forces at Tientsin at the beginning of January 1939. Having spent a number of years in England,

receiving advanced military training, Homma had acquired a knowledge of English, as well as a reputation for being one of the most Anglophile generals in the Japanese Army.⁴³

Almost immediately, the general initiated a review of security procedures towards the British and French Municipal Areas. This resulted in a relaxation on 8 February of the three-month blockade of the British and French enclaves. Regarding the threat of such action as more useful than its (often ineffectual) imposition, Homma argued that the easing of inspections would also encourage his British and French counterparts to "take important steps" (genju naru sochi o toru koto toshi) to satisfy Japanese concerns.⁴⁴

The British and French authorities quickly obliged. At the beginning of February, British officials initiated their severest clampdown on unauthorized radio stations in the Concession, which were suspected of reporting Japanese troop movements to surrounding guerrilla units, requesting Japanese assistance in their efforts.⁴⁵ On 22 February, the British Municipal Council issued an edict prohibiting Concession schools from using anti-Japanese textbooks, a move that the French had already taken the previous December.⁴⁶ On 11 March, the British authorities issued a decree threatening severe action (i.e. not internment, but handover or expulsion) against anyone suspected of involvement in political activity, violent or otherwise.⁴⁷

Following suit a few days later, the French Ambassador -- in reaction to the assassination of a Chinese collaborator in the French area at Tientsin -- stated his determination to do more to arrest and hand over suspected communist and other anti-Japanese groups hiding within the Concession.⁴⁸

This process of rapprochement was furthered in early-April with the visit to Tientsin and Peking of Major-General Francis S. Piggott, the British Military Attache in Tokyo. A passionate Japanophile, Piggott was known among his colleagues less for his knowledge of the issues to be examined than a tendency to "swallow without discrimination every threat and every assurance that the Japanese authorities make to him."⁴⁹ But Whitehall's acquiescence in Ambassador Craigie's idea of sending as a "trouble-shooter" someone in whom they were so unconfident indicated that Piggott's open partiality for the policies of his hosts tended to suit the priorities of many of the "superiors" who were so quick to deride him.⁵⁰ Justifying his visit as a "necessary emollient" to "the exacerbated feelings of local military authorities,"⁵¹ London obliquely indicated to Tokyo that it might be prepared to endorse more Japanese-sponsored "solutions" for Tientsin, thereby rendering its diplomatic obligations to China even more meaningless than they had already become.

Piggott's visit went off very much as expected. Hobnobbing with Japanese officials such as Lieutenant-General Homma, military police officers and Commander of the North China Army, General Sugiyama Gen, the British general made a point of reiterating to his hosts Britain's intention to cooperate more fully in the future, while lecturing British officials at Tientsin about the importance of being more sensitive to Japanese concerns. Although emphasizing that the Japanese had firm grounds for believing the British enclave had become a base for "terrorists," Piggott did not openly endorse Japan's demand for the expulsion of political activists, or the elimination of Chinese members of the Concession Police Force suspected of being too nationalistic. Instead, he convinced the British authorities to increase Japan's role in arresting suspects by agreeing to joint-raids of suspected hideouts by Japanese as well as British police. Through the institution of a plain-clothes Japanese "advisor" working out of the British Concession, greater use would also be made of Japanese intelligence in identifying and eliminating suspected "terrorist" targets.⁵²

For Japan, the implication of these changes were far-reaching. While the British did not openly admit that the Concession was a guerrilla base, the joint-raids and investigations promised Japan vastly expanded opportunities to eradicate such activities. From now on, raids, arrests,

detentions, interrogations, expulsions and handovers of anti-Japanese suspects within the British settlement would not be driven just by the whim of Concession Municipal Police, but upon Japanese information with Japanese military police directing British constables to the target. The acme of a collaborative process going back to the arrival at Tientsin of Lieutenant-General Homma, these measures were part-and-parcel of a broad-based effort designed to shut down all nationalist activity within the foreign areas.⁵³ What from a Japanese perspective was now needed was an outrage of sufficient seriousness within the British Concession for its authorities to be galvanized into putting procedures that so far had only been agreed to in principle, or applied elsewhere, finally into practice.

Chapter Two: The Outbreak of the Tientsin Incident

The Assassination of Cheng Lien-shih

It was not long before the arrangements devised by Japanese and British officials at Tientsin were put to the test. On the evening of 9 April 1939, before General Piggott had even returned to Tokyo from his trouble-shooting trip to Tientsin, Cheng Lien-shih, the head of the Tientsin branch of the Federal Reserve Bank, the Japanese-controlled central bank of North China, was murdered in a theatre within the British Concession. After committing the crime, the first clear-cut political act of violence within the British Concession since the Japanese take-over of North China in 1937, the suspected murderer escaped in a car, after killing one foreigner and severely wounding another who attempted to prevent his getaway.¹

Giving, in the words of Consul-General ~~Herbert~~ ^{Edgar G.} Jamieson, "absolutely no hint of... threats or reprisals against the concession,"² the Japanese did not seem overly concerned about the apprehension of the culprits for this particular murder. As a Chinese collaborator, the victim may have been considered more expendable than would have been the case had the target been Japanese. In addition, having been instructed to "hand over to the de facto authorities" those suspected of "crimes of violence or other criminal offences,"³ the British authorities had clear-cut guidelines

for treatment of criminal suspects, whether their activities were politically inspired or not. There therefore seemed every reason to assume that the assassins and their aides, if arrested within the British enclave, would be handed over.

As the first political murder in the British area, however, Cheng's assassination presented Japanese officials with an opportunity to make other demands. Occupation troops had for some time been trying to neutralize the activities of Chinese partisan organizations, whose activities seemed to flourish as the countryside surrounding Tientsin became increasingly hostile to Japan. According to Japanese military police, one of the most dangerous of these groups was a 4,000-strong underground "army of national salvation" (chugi kyukoku gun), or Ninth Route Army. Supposedly under direct orders from Chungking, this squad had infiltrated Tientsin in early 1938 and, from March of that year, organized into cells in order to assassinate Japanese soldiers and their Chinese collaborators. Suspected of being used by this group to hide at least four of its main leaders and much of its equipment, including over 4,000 guns, automatic rifles and radios, the adjoining British and French Concessions were believed by Japan to have been used to plan assassinations, house other anti-Japanese activists on the run and gather and propagate information, mainly

through unlicensed radio, about troop movements and other aspects of the occupation.⁴

Focused primarily upon this larger problem, Japanese officials did not pay much attention to the Cheng case. In step with existing guidelines, the British Consul General promised in a meeting with Japanese officials on 11 April the "handover to de facto authorities" of Cheng's assassins and "anyone else intimately connected with the crime," a statement repeated to the Mayor of Tientsin the following day.⁵ But since this promised to be largely a routine matter, the Japanese spent most of their time pressing the British to implement other reforms, in particular, ending internment in favour of expulsion of non-violent political suspects, handing over criminal suspects and -- through the institution of joint-raids and a Japanese "advisor" within the Concession -- allowing Japanese forces a greater role in eradicating suspected guerrilla hideouts within the settlement.⁶ These demands had already been presented to, and sympathetically received by, General Piggott in the meetings of the previous week, but had yet to be endorsed by the rest of the British government.

Trying to capitalize upon the Cheng murder to push through an agenda to which the British had yet wholeheartedly to subscribe, Japanese officials re-introduced a demand that even General Piggott had turned down: the

dismissal of Li Han-yuan, a Chinese police officer within the British Municipal Police force. For some time, the Japanese military had information suggesting that Li had attended "terrorist" meetings within the British Concession and had been paying monthly dues to members of the anti-Japanese assassination group supposedly using the settlement as a hideout with money provided by Kuomintang banks inside the enclave.⁷ With the British regarding Li as an effective policeman, his alleged payments of terrorists and attendance at cell meetings (had they really taken place) could have been an infiltration strategy designed to limit rather than encourage Chinese resistance activities -- something not inconceivable since the British Concession had been freer of political violence than other foreign enclaves. But even under this scenario, Japan would still have to deal with a self-proclaimed patriot of conflicting loyalties, which was potentially a threat to the joint-police work with Britain that General Piggott had already promised.

Creating the conditions for successful joint-raids was considered particularly important. Without joint-raids, the only way for the Japanese to apprehend suspected activists was to search Chinese entering and leaving the concession at inspection posts around the concession perimeter. But, having failed to catch any Chinese guerrilla this way, despite the proliferation of anti-Japanese acts of violence

throughout the Tientsin area, these investigations had proved time-consuming, unpopular and ineffective, a situation that prompted General Homma to relax and suspend the blockade imposed in December 1938.⁸ By contrast, joint-raids would enable Japanese military police to pursue suspects within the British Concession that would be more difficult for the Chinese resistance to predict, while not inconveniencing foreigners. But, as long as there were Chinese officers with suspected links to the partisans within the British Municipal Police, information Japan might pass on to the British could end up in the hands of the Chinese resistance, thus enabling suspects to evacuate their hideouts before the raids commenced.

Arguing that Japan had not presented "reasonable proof" of "alleged anti-Japanese activities," the British refused to dismiss Li Han-yuan, or admit that he was a "terrorist." But willing to accept Japan's contention that the Concession had become a "hotbed of unneutral acts," Britain's Consul-General was determined not to allow the impasse over Li to sabotage Japanese participation in the joint-raids.⁹ He therefore promised Japanese officials that, in view of the likelihood that they would not want "information as to where the (suspected anti-Japanese) organizations existed... (to) be given to the British Municipal Council (BMC) police," "joint-raids" would be carried out with the "Japanese

gendarmerie... lead(ing the) BMC police directly to the spot."¹⁰ By offering Japan the opportunity to pursue suspects without parting with more than a minimal amount of their intelligence material beforehand, this arrangement promised to make it next-to-impossible for Li Han-yuan or any other police officer employed by the British to warn suspects of impending raids.

In what seemed more good news for Japan, British officials indicated a greater desire to implement many of the other measures that Japan had been demanding. Declaring in a telegram to the British Ambassador that the policy of internment was "not deterrent enough to prevent (the) concession being used as a base for political and terrorist activities," Consul-General Jamieson recommended that Britain at least expel suspects in this category.¹¹ On 14 April, Japanese Consul-General Tashiro informed Tokyo that his British counterpart said that he would "recommend that London permit him to hand over anyone discovered to be carrying weapons at the time of his arrest and that London would probably grant this request" (kyozetsu suru ga gotoki koto nakaru beshi). The British Consul-General also said, according to Tashiro, that London was still "baulking at the idea of handing over or expelling (non-violent) anti-Japanese communistic elements," but that "more joint-investigations and joint-arrests of Chinese suspects" with

greater access to "Japanese information" might prompt London to meet Japan's "requirements for handover or expulsion on a case-by-case basis," with the Consul-General rather than the Ambassador or Whitehall making the final decision.¹²

In efforts to minimize its responsibility for later events, Whitehall was to portray Consul-General Jamieson as a "loose cañon," acting out on a limb. Although London sometimes grumbled that Jamieson, like General Piggott, was "co-operating with a vengeance,"¹³ their proposals generally reflected and helped promote a growing consensus throughout the British government that internment was "inconvenient and dangerous"; that detaining Ssu Ching-wu was a mistake; that those (like Ssu) suspected of violent activities, even if committed outside the Concession, should be handed over; and that "lesser (non-violent) political offenders" should be expelled.¹⁴ Coming close on the heels of Piggott's warnings of terrorists taking over the Concession, the Cheng murder - - which could not have come at a better time for the Japanese had they planned it themselves -- seemed to be breaking down the last British barriers to the idea of unlimited Japanese access to, and elimination of, any protections for those Chinese courageous (or foolhardy) enough to continue using the British enclave for anything even remotely linked to the emancipation of their nation.



The Arrest of the Cheng Murder Suspects

Although agreeing to Japanese demands for joint-raids, the British Concession lost no time in looking for suspects by themselves. On 11 April, in what was approvingly referred to by the Japanese Consul-General as an effort to "prevent the further occurrence of lawless and violent anti-Japanese activities" and "arrest the perpetrators thereof," the British authorities "used patrol cars and instituted daily and nightly inspections by fully-armed police officers" in a sweep of suspected hideouts.¹⁵ The following day, a house-to-house search by British police resulted in the arrests of 25 suspects and the seizure of arms, communications equipment and anti-Japanese propaganda.¹⁶ Focused mainly on ridding the Concession of anti-Japanese organizations, this raid was not primarily designed to apprehend the Cheng murder suspects, who remained at large. But the quantity of arms, anti-Japanese propaganda and wireless transmitters that were found had the effect of getting the British Consul-General to endorse fully the view put to him the previous week by General Piggott that the area was indeed a base of terrorist activity, with "arms no doubt being dumped into creeks and other suitable places."¹⁷

In an attempt to make further strikes, three joint-raids were organized and carried out at Japanese direction on 15, 17 and 22 April. As with the previous British raid,

the main objective was to destroy the guerrilla network that was supposedly transforming the British Concession into a terrorist base. But because Japan's information about the whereabouts of this group came entirely from an unreliable source arrested months before in the French Concession for the murder of a Japanese soldier, numerous houses were searched at Japanese direction which turned out to have nothing incriminating inside them. Four suspects, however, were picked up from within the British settlement who were suspected of being involved in the Cheng assassination.¹⁸

Intent primarily upon warding off further Japanese criticism that the Concession was a hotbed of terrorist unrest, the British Consul-General wanted to eject all the suspects who had been arraigned on 12 April as soon as possible.¹⁹ The Consul-General did not seem to be so worried about the four suspects detained in connection with the Cheng murder, since existing guidelines clearly specified that those suspected of involvement in intra-concession violence must be handed over to the Chinese de facto court for trial. Because the acts were political in nature, both Japanese and British officials realized that the handover could only take place upon final approval by Whitehall. But this was expected to be a formality, especially since French authorities had been routinely handing over suspects of this type -- including one arrested at the end of April as a

result of information obtained through one of the joint-raids of the British Concession.²⁰

Solidifying this impression, the British Concession -- following procedures developed at Shanghai -- agreed to grant the Japanese gendarmerie temporary custody over the four Cheng murder suspects for interrogation. Occurring between 25 and 30 April, these interrogations linked the suspects to numerous politically-inspired acts of violence, as well as illegal possession of firearms.²¹ But because these acts -- which included the attempted assassination in Peking of the head of the Provisional Government (March 1938), the planned (but aborted) murder of the Mayor of Tientsin and the assassination of the chairman of the Tientsin Chinese Chamber of Commerce (both in the French Concession, November and December 1938) and the wounding of a Japanese soldier in ^{the} Chinese-administered city of Tientsin (March 1939) -- took place outside the British area, they were not in themselves sufficient to guarantee the handover of the four men. Since Britain was still interning people wanted for anti-Japanese acts of violence outside the enclave, it was also difficult to argue that just being in "unlawful possession of arms" was ground enough to hand over detainees either.²²

The Japanese police did not divulge any of this information to the British authorities at this time. But a

decision prompted by a desire to prevent suspect police officers (especially Li Han-yuan) from leaking the contents of the detainees' confessions -- particularly the names of others who might be involved -- meant that the British could not obtain the proof they wanted to show that internment did not deter these or other perpetrators of violent acts from using the Concession as a place to hide out and organize their activities. As a result, the transfer to de facto Chinese custody of the four detainees who had just been interrogated depended on whether they could be linked to the sole act of political violence that had occurred within the British enclave: the murder of Cheng Lien-shih.

This was much more difficult. Because of their desire to piece together what they believed to be the terrorist base that had infiltrated the British Concession, the Japanese police had been interested in using the interrogations to connect the suspects to many political acts of violence rather than proving conclusively their involvement in just one case. In addition, the person who shot Cheng was never caught, and two of the four arrested in connection with the Cheng murder did not, even in their confessions, admit to involvement in his murder. The other two detainees did confess to being at the scene of the crime on the night of the assassination, one of whom supposedly acted as a lookout in the getaway car.²³ But the Japanese

police received no third-party verification of anything the suspects confessed, a problem made worse by the fact that, as later pointed out by the British police, it was unclear that the so-called "getaway" car was actually used for this purpose since it was "parked in the wrong direction of traffic."²⁴

This was not, however, considered by either side at the time as a likely stumbling block to the handing over of these men. Since the British Concession did not "exercise functions of a magistrate's court in regard to committing persons for trial," the British authorities, upon receiving an arrest warrant from the local Chinese court, were not expected to determine whether the suspect was guilty of the crime for which he was charged, but only whether there were prima facie grounds for assuming that he might be.²⁵ To meet this lower standard of verification, it was agreed that the suspects would simply reconstruct the Cheng murder at the scene of the crime in front of Japanese and British officials. This method had the advantage of not obliging the Japanese police to hand over the transcripts of the confessions, or risk compromising any of the other information the suspects had divulged.

On 30 April 1939, the reconstruction of the murder was carried out under Japanese supervision at the theatre in which Cheng was killed, in front of a British consul and the

Chief of the Municipal Police. The two suspects who were at the theatre on the night of the crime played out how they thought the murder took place and accused one of the suspects who did not confess to any involvement of also being there at the time. The fourth suspect showed how he had murdered a Japanese soldier elsewhere.²⁶ With indications that three of the four suspects might have had something to do with the murder, the Japanese "were given to understand" that the suspects "would be handed over."²⁷ While the crime confessed by the fourth suspect took place outside the Concession, the Foreign Office had the previous day instructed the British Ambassador in China to inform Consul-General Jamieson at Tientsin that "persons against whom there is convincing evidence of crimes of violence against the Japanese or their puppets (whether committed in the Concession or not) such as complicity in assassination or its attempt" should also be delivered up.²⁸

After the reconstruction of the crime, the suspects were returned to British custody pending authorization from Whitehall to transfer them to the Chinese de facto authorities. Expecting such authorization to be a formality, the Japanese and British officials attending the re-enactment afterwards retired to the Concession's racecourse for breakfast together. In the words of Consul-General Jamieson, "the local atmosphere (between Britain and Japan)"

seemed "to have greatly improved." But because guerrilla activities against Japanese forces in Tientsin had not lessened, suspicions regarding the British Concession being a guerrilla base lingered. Consequently, Jamieson warned that "all the good that has been done may be jeopardized" unless a) internment was ended; b) minor political offenders were expelled; c) the Cheng murder suspects and anyone else implicated in violent crimes were handed over; and d) the final decision over the handover or expulsion of each suspect would remain with the Consul-General.²⁹

Chiang Kai-shek Intervenes

Regarded by local officials as inevitable, the implementation of these measures was unexpectedly thrown into question as soon as the four men returned to British custody. Saying that they had nothing to do with the Cheng murder and that the reconstruction was a frame-up, the suspects revoked their confessions, arguing that they had been tortured in a way that did not leave marks (i.e. with water).³⁰ Some British officials doubted whether these retractions were true. But because the British authorities did not know about the other violent acts to which the suspects had confessed, their guilt had to be determined solely on whether they were involved in the Cheng murder. With Cheng's assassin still at large and the method by which

the suspects were supposed to have made their escape dubious (i.e in a car facing in the wrong direction of traffic), the British Municipal Police Chief decided that the confessions were probably "obtained under duress" and that "the men did not take part in the assassination."³¹

The same day that the suspects were handed back to the British authorities, Chiang Kai-shek, head of the Chinese National Government, had talks with the British Ambassador about the Tientsin situation. Saying that he was not making any "attempt to condone" "crimes of violence," Chiang -- who had previously turned a blind eye to Britain's handing over of non-political Chinese criminal suspects to the puppet court -- might not have spoken up on the suspects' behalf had the other activities to which they had confessed been generally known. But since all that was common knowledge was their tenuous connection to the Cheng murder, he felt emboldened to say that the four men were guilty only of "excessive patriotism" and should not be handed over. He also said that ending internment -- both for the Cheng suspects and other political detainees -- would create a "deplorable impression" amongst the Chinese.³²

To be told by Chungking what to do in this matter put Britain in a serious quandary. Since the British at Tientsin had not been granted administrative or legal jurisdiction over the Chinese, "Chinese offenders" wanted for offences

committed against other Chinese had to be handed over by law to the "Chinese authorities."³³ Since such "authorities" could only be part of the regime Britain officially recognized as the legal sovereign of China (or a body sanctioned by it), to disregard its wishes would constitute a clear violation of the provisions of the treaties granting Britain extra-territoriality in China. But to comply with Chungking's wishes would entail a) giving those suspected of violent anti-Japanese acts superior treatment and protection to that accorded to ordinary criminal suspects, who had regularly been handed over to the local courts; and b) preserving the practice of interning political prisoners, something that Japanese and British officials at Tientsin had come to believe had to be abolished in order to preserve the "neutrality" of the Concession.

Another problem was the fact that compliance with Chungking's wishes would constitute a departure from the practice adopted by other foreign areas. As Consul-General Jamieson pointed out, the Shanghai Municipal Council (an international body staffed largely by British officials), in cases of politically motivated acts of violence, "sent men for interrogation to Japanese authorities," "accepted no complaint of torture unless there was physical evidence of such" and "accepted such confessions as sufficient evidence to justify handing over culprits." "In other words,"

according to Jamieson, "if this case had occurred in Shanghai the men would have been handed over for trial."³⁴

Believing that Britain "could not continue to afford protection to people whose actions imperilled (the) safety of our Concession,"³⁵ Ambassador Sir Archibald Clark Kerr had no objection in principle to ending internment or imposing any of the other restrictive measures being implemented or discussed by British and Japanese officials. These included joint-raids, Japanese plain-clothes police within the Concession, the elimination of textbooks containing criticisms of Japan in concession schools and regulations banning political activity in the British settlement. But the Ambassador was also uncomfortably aware that bad publicity over Tientsin threatened to enflame smouldering Chinese resentment over Britain's half-hearted efforts to uphold China's territorial integrity, its reluctance to furnish financial aid in the war effort against Japan and its continuing refusal to meet one of the most fundamental of Chinese nationalist aspirations: a commitment to end extra-territoriality.

In an attempt to satisfy these seemingly-conflicting objectives, the British government decided that it would agree to all of Japan's demands concerning the treatment of future suspects. In other words, Britain would ensure -- and get Chungking to agree -- that non-violent anti-Japanese

activists would be expelled; that violent suspects, upon "reasonable evidence" (i.e. not necessarily conclusive and perhaps emanating only from Japanese sources) that their activities were "directed towards" acts such as assassination, would be handed over;³⁶ and that the final arbiter as to who was a "minor political offender" and who was involved in "terrorist activities" would no longer be Whitehall, but the Consul-General in Tientsin -- who could show suspects, in Ambassador Clark Kerr's words, "as little mercy as he liked."³⁷ In return, Japan would allow Britain to expel or release existing internees.³⁸

Fulfilling Japan's long-standing desire to abolish internment, this proposal was intended to do little more for the Chinese than give them the impression that they were not being betrayed over this particular case. Ambassador Clark Kerr attempted to convey the impression that he had a sense of concern over the fate of the Cheng suspects by saying that handing over the suspects would be tantamount to signing their death warrants and something "irreconcilable" with his "conscience,"³⁹ But meant only for Chinese consumption and at odds with his recommendations about how future violators should be treated, such sentiments were in sharp contrast to the repressive nature of the arrangement that Britain was trying to negotiate with Japan. Essentially a quid pro quo, the crux of this offer was that Japanese

flexibility over British dealings with Chinese political suspects presently interned would be rewarded by even greater British efforts to eradicate such elements from the Concession at Tientsin once and for all, as soon as the negative publicity over the Cheng suspects had died down.

Fearing that such a course would lead to "serious trouble" with Japan, the British Consul-General in Tientsin protested Ambassador Clark#Kerr's instructions to expel the Cheng suspects.⁴⁰ Especially with Japan having "co-operated in their arrest," the Consul-General and the Commander of British troops at Tientsin feared that a "refusal to hand over the Chinese alleged to be" involved in the Cheng assassination would be regarded by Japan as proof that Britain was not really interested in "eradicating guerrilla leaders from the Concession," or preventing them from "using the concession" as a base. With the Cheng suspects having become "the determining factor in the local situation,"⁴¹ Whitehall countermanded Clark#Kerr's expulsion order on 23 May and instructed Consul-General Jamieson to keep the suspects interned and isolated within the Concession unless more evidence could be found linking them to the Cheng murder or other violence.⁴²

This task should not have been too difficult. With the Foreign Office ruling of 28 April about the need simply for "convincing evidence" of any "crimes of violence" wherever

committed, all that was needed was some additional information linking the suspects to other violent acts. Because the British government was interested only in protecting itself against the charge that it was handing over innocent men, the quantity and quality of such additional information would probably not ^{have} needed to have amounted to much. But unaware of the other acts of violence that the suspects had confessed, Consul-General Jamieson made the argument that the men should be handed over on the grounds that they were members of a "terrorist group"⁴³ -- proof of which would require on Japan's part the disclosure of much more information, in particular the names of others involved and the organizational structure of such a body.

The Japanese were not completely unforthcoming in this regard. According to Consul-General Jamieson, they told him that they had pieced together a "terrorist organization" within the British Concession; that the four suspects received monthly payments from its leader, Wang Wen; that Wang Wen (who was still uncaptured) was probably the murderer of Cheng Lien-shih; that his gang had been responsible for the murder of three Japanese policemen; and that the bullets used for the murder of the policemen were identical to the ones used for the murder of Cheng. But the Japanese refused to make further revelations because their information was of "an extremely secret nature involving

other members of the gang" which could be compromised if it got into the hands of Li Han-yuan, the Chinese officer in the British Municipal Police regarded as a "ringleader of anti-Japanese activities."⁴⁴

This misunderstanding had an important effect in altering the situation. Britain needed information it did not know was in Japan's possession -- i.e. the suspects' confessions of other violent acts. We know from Japanese sources that the Japanese did not realize that the British really needed much less than they were asking for in order to hand over the suspects. The Japanese were therefore unaware that they could have met British needs without having to divulge information on "terrorist groups." But under the impression that Whitehall would only agree to the suspects' handover upon full disclosure of all information in Japanese possession about intra-concession "terrorist" organizations, Japan, for reasons mentioned above, refused to cooperate. This meant that the Japanese police did not inform the British of the suspects' other violent acts; refused to divulge the hard information that would convincingly show that the Cheng murder suspects were part of a larger "terrorist" group; and failed to link the suspects convincingly to the Cheng murder. As a result, the Chinese were presented with an opportunity to press their charge that Japan and Britain were simply trying to arrange

for the transfer, trial, conviction and death of four innocent men.

Like Japan, Britain did not think these men were innocent. But the skill with which China capitalized upon the situation had the effect of forcing the British to ask for more information about people whose fate would otherwise have been immaterial to them. In response, the Japanese concluded that Britain's price for the handover of the four men -- assuming that it was interested in handing them over at all -- was nothing less than access to everything they knew, an unthinkable demand particularly since suspect officers remained on the Concession police payroll. As a result, the future of Anglo-Japanese collaboration at Tientsin was suddenly thrown into doubt.

Japan Loses Its Patience

As days and weeks went by without the suspects being turned over, the Japanese became increasingly uneasy about the situation at Tientsin. According to Japanese military police estimates, the Cheng murder was but one of some 400 attacks by Chinese guerrillas on the Japanese and their allies in the Tientsin area between 9 January and 16 April 1939.⁴⁵ Although the British Concession was suspected to be the base of a terrorist group, anti-Japanese activists had been generally very successful in evading arrest. By

unexpectedly refusing to hand over the Cheng murder suspects, Britain called into question procedures and understandings (and not just at Tientsin) that had either been implemented or agreed upon -- including phasing out of internment, instituting joint-raids, Japanese interrogations and re-enactments of the supposed crime -- that the Japanese were hoping would improve their precarious security.

Because Japan considered Britain to have failed in upholding existing undertakings, promises of future "good behaviour" were too unreliable for Japan to take seriously. Complaining that British inaction was "poisoning the atmosphere," General Homma expostulated that "we are dealing with Chinese, not with civilized people like ourselves."⁴⁶ Attempting to transcend political differences by appealing to common prejudice was one way of trying to get the process of local Anglo-Japanese collaboration back on track. But appeals to strengthen the esprit de corps of two foreign communities that could no longer take their existence for granted could not hide the fact that the Japanese offer had a time limit. The longer the Cheng murder suspects remained in British detention, the greater the chance that their confessions would -- via suspect officers in the British Municipal Police -- be divulged to anti-Japanese guerrillas still at large.

Japanese officials continued to press for the handover of the suspects, as well as other reforms. One of these was for the dismissal of police officer Li Han-yuan, who -- accused of being a communist agent -- was the subject of an intense hate campaign orchestrated by the Japanese at the beginning of May.⁴⁷ But on 6 May, a Japanese military spokesman warned that Britain's lack of co-operation in handing over the Cheng murder suspects might also make Japan less tolerant of its refusal to comply with the New Order in East Asia. An idea enunciated in November 1938 that would ostensibly transform Japan, Manchukuo and North China into an anti-communist, all-Asian political and economic bloc, the New Order was designed to institutionalize Japanese hegemony in Asia, as well as the permanent division of China. It was also a diplomatic vehicle through which Japan could criticize "foreign concessions" and "foreign troops" on Chinese soil at places such as Tientsin -- "a state of affairs," according to the Japanese military spokesman, that "we cannot but regard as a sign of an anachronism."⁴⁸

Having little to do with the handover of the Cheng murder suspects, Japan's introduction of the New Order in East Asia was the first indication of an interest in using the impasse at Tientsin to further an agenda other than tightened local security procedures. On 29 May, the General Staff of the North China Army informed the Army General

Staff in Tokyo that it wished not just to "round up anti-Japanese, communistic elements" within the Concessions (sokai o shite, sono naibu no konichi kyosanbunshi o torishimari shimuru totomo ni), but also to "pressure Britain into adopting greater political and economic collaboration with Japan and the Provisional Government" (seijiteki keizaiteki ni Nihon oyobi rinji seifugawa ni kyoryoku seshimu). This would include transferring silver stocks and deposits from Kuomintang banks within the British and French Concessions to finance houses controlled by the Provisional Government and lifting bans on the circulation of puppet currency within the concession areas.⁴⁹

Having protected Chinese banks and allowed only the use of Chinese Government currency (fapi) inside their limits, the British and French municipal areas had been subject to intermittent, but relatively restrained, Japanese criticism. But by the early summer of 1939, the currency situation had worsened. Contrary to Japanese hopes, few holders of Chinese fapi had been willing to exchange their notes for Federal Reserve Bank puppet currency (FRB), which was inadequately backed and rapidly declining in value. Starved of capital from Japan, the North China Army had become increasingly reliant on manipulation of the puppet currency for defrayment of its expenses. As the magnitude of the failure of the voluntary fapi-for-FRB currency conversion program

became clearer (it was meant to have been completed by the end of March), the temptation to clamp down on the economic autonomy of the British and French enclaves -- which allowed the rival currency to circulate and had considerable silver reserves that could have been impounded and then used to back the ailing puppet notes -- became difficult to resist.⁵⁰

The expansion of Japan's demands was not without its detractors. General Homma continually advocated that a solution to the Tientsin situation should be based solely on Britain's willingness to alleviate local Japanese security concerns. Expressing similar sentiments, the General Staff in Tokyo -- which also seemed concerned about the impact upon Chinese nationalist sentiment that Japanese talk about the reversion of foreign Concessions to China might engender -- refused to authorize the invasion of the concession (*jitsuryoku koshi o mitomezu*) and insisted upon compliance with their directions over how the political and economic issues arising from the Tientsin situation should be treated (*seijiteki keizaiteki konpon mondai no shori ni tsuite wa chuo ni renraku shirei o aogu koto*).⁵¹ But despite these remarks, it was becoming apparent that, as the incident widened, handing over the Cheng murder suspects as a means of defusing the problem was going to be increasingly difficult to achieve.

Pressured by a declining sense of security and growing unwillingness amongst the North China Army to treat problems with the British Concession entirely as local issues, Japanese officials at Tientsin could finally wait no longer. The British had already been warned in the middle of May that their failure to hand over the Cheng murder suspects was a violation of the British Concession's neutrality and something that might force Japan to take unspecified "steps in self-defence."⁵² But on 31 May, Consul-General Tashiro and General Homma delivered an ultimatum informing the British that failure to hand over the Cheng murder suspects to the Chinese court by 7 June would be considered a refusal to implement -- rather than simply a delay in complying with -- Japanese demands, in response to which Japan would take unspecified steps in retaliation.⁵³

An Inadequate Offer

Regarded by Whitehall as an insult rather than a threat, Japan's ultimatum did not provoke enormous concern. In the past, Japanese anger at Britain's internment of another group of violent political suspects -- Ssu Ching-wu and his colleagues -- had not obstructed subsequent efforts to improve Anglo-Japanese security under the direction of the newly-appointed General Homma. In addition, nothing unpleasant had happened during the month since the Cheng

murder suspects were handed back to British custody. Concerned that this and other warnings (including General Piggott's) were rather "weakening the will" of local officials "to resist Japanese encroachments,"⁵⁴ the Foreign Office continued to assume that disagreement over treatment of one group of detainees (the Cheng suspects) would not derail the process of tightening repressive measures against Chinese nationalists in general.

Attempting to advance this broader goal, Whitehall offered Tokyo a set of general proposals that incorporated and even surpassed the "pro-Japanese" agenda of the much-maligned General Piggott. In future, the Consul-General could "hand over to the local Chinese authorities" "any persons whom he was satisfied were concerned with terrorist activities." Another proposal specified that "minor political offenders" would invariably "be expelled." In addition, the Consul-General would be able to hand over people just for illegal possession of weapons, ensuring that complicity in a crime would now be assumed unless the detainee could prove otherwise, not the other way round.⁵⁵ An attempt to eliminate the possibility that China could ever again prevent Britain from doing Japan's bidding, these proposals were designed to ensure that suspects would be transferred to Japanese-controlled bodies long before any

Chinese person or group could proclaim that they might actually be innocent of the charges against them.

Arguing that the Japanese could not "have any serious grounds for complaint," Whitehall believed that it had gone "a long way to meet (their) wishes." But, in return, Japan was expected to acquiesce in Britain's refusal to hand over the Cheng murder suspects because the "evidence" linking them to a "terrorist gang" and "crimes of violence" was insufficient.⁵⁶ There were grounds for presuming that Japan might eventually grudgingly accept such an arrangement. According to the information at Britain's disposal, the men wanted in connection with the Cheng murder had been involved in far fewer acts of violence than those alleged to have been committed by Ssu Ching-wu and his accomplices, other internees whom Japan was not insisting that the British Concession authorities should hand over. However, a demand that -- had it been limited to information about the suspects' complicity in other violent acts with no mention of terrorist groups -- might have induced serious Japanese consideration was accompanied by the remark that "it would be repugnant to the British sense of justice to hand over to execution men against whom the British authorities have.. received no evidence of the crime alleged."⁵⁷

For Britain to justify its refusal to deliver up the suspects in terms of upholding a "British sense of justice"

was extremely problematic. Apart from being aware that British activity in China since the Opium Wars one hundred years before had never been dominated by such a notion, the Japanese knew that, under extra-territoriality, the British had not been granted judicial powers over the Chinese and that, "in refusing to hand over the suspects," they were "exercising administrative authority over the Chinese which they did not have by law."⁵⁸ From this perspective, "British justice" was being used to legitimate Britain's violating its extra-territorial mandate in order to prevent Chinese courts trying criminal suspects whose guilt was suspected even by British officials. At the same time, Japan was supposed to believe Britain's promise that future offenders would not receive such "protection," even if their guilt was more questionable.

Betraying a level of illogicality and double-standards that opened Britain to the charge of blatant hypocrisy (from China as well as Japan), Britain's anomalous position was soon made to look even more contradictory. On 6 June, Consul-General Jamieson received an order from Whitehall to hand over two other internees.⁵⁹ Arrested before the Cheng assassination, these men, who were suspected of being members of the "terrorist gang" supposedly working out of the British Concession, were picked up for unlawful possession of weapons. But unlike the other detainees, they

had not been accused of actually committing a violent crime. Nor were the Japanese demanding at this time that they be handed over.⁶⁰ Being in unlawful possession of weapons arguably constituted prima facie grounds for assuming that the suspects were intending to plan or commit a violent act. But because nothing had happened, Britain, by agreeing to their handover, was saying that it was acceptable to submit to the full force of Chinese law interneers who had not committed a violent crime, while protecting from the court's clutches others who were suspected of, and in cases had even admitted (to British as well as Japanese officials), being involved in the commission of such activities. And all this in the name of upholding a British "sense of justice."

In an attempt to minimize the damage, Ambassador Craigie informed Foreign Minister Arita on 6 June of his disagreement with the Foreign Office finding about the "insufficiency" of the evidence linking the Cheng suspects to violent acts. He nevertheless begged Japan to accept British terms on the grounds that officials at Tientsin would henceforward be able to deal with anti-Japanese elements entirely to Japan's satisfaction.⁶¹ But reacting negatively to this proposal, the Foreign Minister pointed out that the British, in believing the suspects' denial of their confessions to the Japanese, were attaching more credence to the dubious pleas of suspected criminals rather

than the evidence obtained through extensive interrogations by the Japanese police. Arita also reminded Craigie that the suspects had admitted to British officials their complicity in the Cheng murder and, in one case, the assassination of the Japanese policeman.⁶² Since the British Concession had been handing over ordinary (non-political) criminal suspects with much less to go on, the Foreign Minister believed this was an adequate prima facie basis upon which Britain could transfer the suspects to the Chinese authorities for trial.

Japan Raises the Stakes

Reflecting Foreign Minister Arita's sentiments, reaction from the rest of the Japanese government to the British offer was extremely hostile. Criticizing Britain for refusing to accept "Japanese co-operation," the Japanese "adviser" to the British Municipal Council at Tientsin, Nakagawa Kosuke, asserted that "there remained no further reason for continuing talks with the British."⁶³ On 12 June, the Tientsin office of the Asia Development Board publicly ~~chastized~~ ^{castigated} the British Ambassador in China for undercutting Consul-General Jamieson's efforts to be constructive and said that the concessions had become an impediment to the New Order in East Asia.⁶⁴ Saying the following day that "this problem is no longer simply concerned with the handover of the Cheng murder suspects," the North China Army

General Staff announced that it would institute a blockade around the British and French municipal areas starting on 15 June because of Britain's failure to hand over the suspects and eradicate other anti-Japanese activities.⁶⁵

Japan's new demands were spelt out in instructions from Commander-in-Chief of the North China Army General Sugiyama Gen that were sent to General Homma on the evening of 13 June. Homma was directed to inform the British that, in return for lifting the blockade, they would not just have to hand over the Cheng murder suspects but also "cooperate with the construction" of a new order by instituting other measures as well. These included the arrest and handover of all "anti-Japanese communistic elements"; the expulsion of Li Han-yuan and other "anti-Japanese" police officers; a prohibition on the circulation of the Chinese National Government currency (fapi); authorization for the Japan-backed puppet currency (Federal Reserve Bank notes) to take its place; the submission of intra-concession Chinese government banks to joint-investigations with Japan; co-operation with Japan in removing the banks' deposits and reserves to Japanese-controlled institutions outside the concession; and an agreement to promote security by instituting joint-investigations into economic as well as military matters.⁶⁶

Unlike Japan's previous demands, these conditions -- while still partly local in character -- emphasized as a "number one objective" (saidai mokuteki) or "condition for the lifting of the blockade" (kenmon haishi no joken to nasu koto) economic policies that were regional in scope and designed to improve Japan's standing at Britain's, not just China's, expense.⁶⁷ Even more ominous for Whitehall was a directive contained within the 13 June instructions calling upon General Homma to "instigate discord within while preserving order without" the areas to be blockaded (sokaigai no chian iji ni manzen no chui o harau totomoni sokainai kakuran o shisakusu).⁶⁸ In line with the sentiment of a 6 June telegram from the East Asia ^{Business} ~~Division~~ of the Japanese Foreign Ministry to Consul-General Tashiro, such a strategy implied commitment to the more ambitious goals of "eradicating Britain's entire policy of aiding Chiang Kai-shek" (En-Sho seisaku o jokyo suru) and -- by revealing Britain's impotence as an imperial power -- "replacing the Chinese feeling of dependence upon the British with that of scorn" (Sinajin no Eikoku izon shiso o bu-Ei shiso ni itten shi), while effecting a "transformation of Chinese anti-Japanese sentiment into a feeling of dependency" (mata sono ko-Nichi shiso o Nihon izon shiso ni ten suru).⁶⁹

Unconcerned about and partly unaware of such developments, the British Foreign Secretary informed the

Cabinet on 15 June that Japan's latest moves were a "damp squib."⁷⁰ With members of the Far Eastern Department urging Whitehall to be "ready with any means of retaliation which may be considered practicable," the advice of the Foreign Office was to sit tight, refuse any compromises, pursue "economic retaliation" should Japanese troops move against the Concession, or "fire on the mob" if there occurred any popular demonstrations against the British that might have been instigated by Japan.⁷¹ An atavistic spasm harking back to the days of gunboat diplomacy at its height, this plan, had it been executed, would have meant that the failure of Japan and Britain to agree upon how to withdraw rights from the Chinese at Tientsin would have been treated as a crime for which the Chinese would have to pay, perhaps with their lives.

This course of action was not, however, endorsed by the rest of the British Cabinet. Incensed at "this mess into which our Foreign Office has so rashly landed us," Prime Minister Neville Chamberlain feared that refusing to hand over suspected criminals on the basis of Japanese evidence was "unsound ground" to make a stand that gave the Japanese an opportunity to challenge Britain's position in the rest of China.⁷² On 10 June, the United States Consul-General in Tientsin had voiced his opposition to Japan's escalating demands and the intransigence of Britain's stand over the

Cheng murder suspects that had precipitated them. In an attempt to return to the status quo ante, Whitehall on 13 June proposed the formation of a three-person arbitration committee at Tientsin, with the US Consul-General as its "neutral" member, that would reassess the evidence for -- i.e. look for a face-saving way to facilitate -- the handing over of the Cheng suspects for trial.⁷³

This proposal was not well-received in Washington or Tokyo. Declaring that the United States government was "not concerned in the original incident at Tientsin relating to the requested delivery of the four accused Chinese," Secretary of State Cordell Hull informed the British that the US Consul-General at Tientsin was "being instructed to hold himself aloof from any action relating to the merits of the question at issue between the British and Japanese authorities."⁷⁴ In Tokyo, the Japanese Foreign Ministry refused to do anything more with the arbitration committee idea than forward it to the North China Army for their consideration.⁷⁵ Meanwhile the Japanese press -- which viewed the Incident as an opportunity to press Britain to end all aid to Chiang Kai-shek -- castigated the proposal as a "plot" to involve the United States in the conflict and prevent Tokyo from adopting "the uncompromising course that is the only way of bringing the situation to a successful

conclusion" (kyoko hoshin nomi ga jitai o yuri ni kaiketsu suru no de aru).⁷⁶

With Britain outmanoeuvred into dealing with the Tientsin question on Japanese rather than British terms, "the arrow," to quote an official Japanese government communication to Britain, "had left the bow,"⁷⁷ and Anglo-Japanese relations had reached a new stage from which there was no going back. But with their incompetence having been alluded to by the Prime Minister as the major cause of the crisis, officials from the Far Eastern Department latched on to a statement made on 11 June by Consul-General Jamieson ("the manner in which the (Cheng) culprits should be handed over was merely left as a matter for further discussion") to imply that he had made an "undertaking to the Japanese authorities that the men would in fact be handed over."⁷⁸ In what seems to have been a last-gasp effort to pass onto others responsibility it was unwilling to bear itself, the Foreign Office Far Eastern Department argued that the real cause of the crisis was Japanese "pique" at Whitehall's failure to carry through on an unauthorized commitment made by an operational officer in the field.

The Foreign Office allegation was not entirely false. Jamieson had promised to the Japanese and the Mayor of Tientsin on 10 and 12 April that the suspected murderers of Cheng Lien-shih would be handed over; a similar

communication was made by the British officials before whom the suspects reconstructed the crime at the end of that month.⁷⁹ But these statements were made on the basis of the August 1938 and April 1939 Foreign Office guidelines specifying that those suspected of committing acts of violence would be handed over for trial. In addition, the Japanese realized as well as anyone that it was not Jamieson, but Whitehall, that had to give final permission for the suspects' transfer to Chinese custody. The idea that Japanese hostility could be traced to a particular "undertaking" of a local official that was not carried out implied that -- had the undertaking not been made -- the Japanese would somehow not have been so angry and that the later troubles might not therefore have arisen.⁸⁰

Such an interpretation certainly did not fit the facts. Japan's hostility had nothing to do with Consul-General Jamieson, who was viewed as a friendly official. It was explained rather by Whitehall's failure to hand over the suspects. The Japanese believed that Britain, by interning the suspects and arrogating to itself the judicial function of deciding whether and which Chinese suspects should go to trial, had violated its extra-territorial mandate. Furthermore, in abandoning practices followed by other foreign areas by refusing to accept Japanese-induced confessions, Britain also seemed to be giving more credence

to what the suspects said in their defence rather than what Japanese interrogators found out to their detriment, as well as call_x^{ing} into question agreements dating back to at least January 1939 for the arrest, apprehension and exclusion of Chinese activists from within the Concession. With its military security under challenge, the Japanese North China Army was no longer prepared to accept a situation in which the Chinese government could persuade British authorities to give greater protection to those wanted for anti-Japanese crimes of violence than suspected common criminals.

Chapter Three: The Widening of the Crisis (1): The Economic Dimension

Imposed at 6 a.m. on 15 June 1939; the North China Army's blockade of the British and French Concessions at Tientsin was the consequence of the British authorities' failure to turn over four Chinese internees suspected of involvement in the murder of a puppet official. Japan, however, indicated that the blockade's removal would be contingent not simply upon handing over the suspects, but British and French compliance with a range of other demands -- including co-operation with the Japanese Army's currency policies in North China, an end to Britain's "policy of supporting Chiang Kai-shek," a "transformation of British attitudes" (*Igirisu no sei ga mitomerareru teido ni nari*) in China generally and a greater willingness to "cooperate" with the New Order in East Asia.¹ Thus, ~~was~~ a relatively minor administrative disagreement was transformed into a major political crisis, the heart of which concerned the promotion of an economic and political agenda with ramifications emanating far beyond the confines of Tientsin.

The meaning of many of these new demands, together with the extent to which Britain would have to comply with them, remained unclear. But the act of introducing such an agenda meant that an incident that was the somewhat fortuitous consequence of a breakdown in procedures concerning

restrictions upon anti-Japanese activists that had already generally been agreed upon, or was in the process of being worked out, by both countries could now only be solved by addressing other issues upon which the two countries had been unable to unite, even in principle. Therefore, as the Incident widened, the misunderstandings or faulty execution of existing agreements that had characterized the outbreak of the problem were overshadowed by more fundamental differences that had already affected Anglo-Japanese relations in China generally, but until then had not greatly impinged upon the situation at Tientsin. Long preceding the immediate causes of this particular incident, these differences originated in a pattern of economic rivalry in China going back many years.

Britain, Japan and China's Financial Solvency

Britain -- particularly the City of London and financial, manufacturing and trading concerns based in Hong Kong and Shanghai -- had extensive relations with China. The largest foreign investor in China,² one of China's biggest trade partners and the dominant shipping magnate in the region,³ Britain was also the largest foreign holder of Chinese government debt,⁴ a development through which it acquired a vested interest in maintaining financial mechanisms to ensure the service of foreign loans that post-

1911 governments of China, mired in civil war and government breakdown, might otherwise be unable to honour. As a result, Britain's stake in China had widened from the elimination (through force of arms or otherwise) of domestic barriers impeding foreign trade to the preservation of China's ability to underwrite existing and future foreign investment -- in particular the shoring up of the debt-paying capacity of the Chinese government.⁵

To preserve China's solvency, Britain used its control over the China Maritime Customs service which, since the imposition of the unequal treaties granting Britain extra-territoriality in China, had been staffed and subsequently supervised by British administrators, to ensure that China's tariff revenues would service foreign debts before being utilized by government officials for any other purpose.⁶ In this way, Chinese creditworthiness became dependent upon the expansion of China's foreign trade rather than the rebuilding of the Chinese administration, or the strengthening of its revenue-raising capacity, or even support of China's national credentials against the depredations of an invading army.⁷ For the Chinese an intrusive action geared to the creation of a favourable foreign investment climate at minimum risk, de-linking the Maritime Customs from the rest of the administration was a strategy that could survive, and cater to, the enfeeblement

of the Chinese state, the partition of the nation and virtually anything short of China's total economic collapse.

An arrangement promoting international acquiescence in Japanese aggression while preserving China's capacity to pay its foreign creditors (of which Japan was one) might have been considered to Japan's advantage.⁸ But setting aside China's customs revenues for the payment of foreign debt also raised the possibility of British support for a revision of China's unequal trade status, in particular an upward adjustment of the tariff. Japan's access to India and other western-controlled markets had been curtailed as a result of tariffs and imperial preference policies imposed by Britain and others in the wake of the Great Depression.⁹ With the overwhelming proportion of its foreign investment located in North China,¹⁰ Tokyo was extremely unwilling to acquiesce in measures devised by the West that might -- through the protection of Chinese industry -- retard Japan's efforts to control and reorient the economy of China's northern provinces.¹¹

Negotiations between Britain and China on tariff autonomy and other questions concerning the ending of extra-territoriality were first initiated before Japan invaded Manchuria in 1931, but had ended inconclusively.¹² What for Japan was the haunting prospect of tariff revision was brought closer by the anti-Japanese economic boycotts

throughout China that the invasion of Manchuria precipitated, together with the deflationary effects of global economic recession and the rise in world silver prices from 1931 to 1935 that was its consequence. With Chinese currency linked to silver, this development -- thanks largely to a US government silver-purchase initiative and Japanese smuggling activities in the occupied areas -- led to huge silver outflows from the country, depletions in reserves, more expensive exports, a contraction of trade and the spectre of government default on China's foreign obligations.¹³

Pressured by contractions in world markets and a well-organized China Lobby determined to preserve British market share,¹⁴ London responded to China's growing financial crisis by sending in 1935 a Treasury mission to the Far East to facilitate the country's economic rehabilitation.¹⁵ Being "capital scarce," China required, according to mission leader Sir Frederick Leith-Ross, a "flow of credit" from abroad that ^{could} only be assured if the country's financial well-being -- in particular the government's capacity to pay off existing obligations and "settle old debts" -- was sound.¹⁶ But unable to obtain an international loan for China or induce any Japanese co-operation for its mandate, this mission was eventually restricted to assisting the Chinese government in implementing a decision dictated by economic

necessity to withdraw silver as legal tender, set up a managed currency under the direction of a central bank, create a unified note issue backed by the silver no longer in circulation and establish centralized direction of the newly expanded reserves for which these reforms were responsible.¹⁷

Aware of the political power of the Hong-Kong trading community and Britain's interest in consolidating its position as China's major supplier of capital goods (the import of which was determined largely by the government),¹⁸ Japan criticized the British initiative as an intrusion into Chinese affairs designed to shore up an unpopular pro-western regime.¹⁹ But Tokyo was less concerned with Britain's role in promoting China's currency reform than with the implications for Japan of the reform itself. Japanese plans for the integration of North China, Manchuria and Korea into a Japan-dominated bloc~~E~~ hinged largely upon a two-tiered financial structure in which a few Japanese banks would control the separate and diverse currencies, reserves, deposits and investment flows of numerous weaker local Chinese counterparts. A unified Chinese currency with reserves and deposits in Chinese government banks outside Japanese-occupied areas threatened to complicate the entire Japanese-led process of China's economic dismemberment.²⁰

As things turned out, Britain's role in promoting China's currency reform was so undistinguished that the initiative almost died before it was launched. What Tokyo had portrayed as a plan imposed by a cunning and powerful rival was in fact undermined by Britain's failure to generate the international backing considered necessary for these measures to succeed. Unsupported by its allies, London shied away from making a loan to support China's currency until ^{it implemented} an ineffectual stop-gap measure in early 1939.²¹

This threatened to have dire consequences for China. With its currency vulnerable to Japanese depredations in the North as well as to the temptation for Chinese officials to print notes indiscriminately, the Chinese government was forced in late-1938 to default on its foreign debts. Meanwhile, the continuing chatter in London, Geneva and Washington about what turned out to be an ineffectual, virtually non-existent, aid package to China provided Japan with an incentive as well as an excuse to advance its own time-table of pre-emptive strikes throughout the country.

Abetted by international inaction, the degeneration of a modest bureaucratic initiative into a series of missteps hastening China's disintegration was unexpectedly halted by a local desire to make these reforms work. According to a senior Treasury official, "no part of the country" had "substantial difficulty in securing the acceptance of" the

beleaguered "Government legal tender notes."²² As a result, a currency that by mid-1939 was pushed by inflation, lack of international backing, mismanagement, and Japanese depredations to just 20% of its official value remained basically "unaffected" in terms of "the confidence" with which it was "regarded by the Chinese masses."²³

China's public endorsement bestowed a strength upon its currency that absence of foreign support, monetary setbacks and Japanese sabotage efforts could never entirely undermine. In particular, Japanese efforts to collect "the remaining silver in local circulation" to serve as the "basis for a separate local currency" in occupied areas failed to prevent the notes of Chinese government banks from becoming the "main currency" in the region. In this way, the establishment of a single Chinese currency was transformed from being a narrowly-based governmental decision dictated by fiscal prudence into one of the most important national initiatives that a "corruption-riddled" regime of chequered nationalist credentials had ever attempted.²⁴

Frustrated by these developments, Tokyo intensified its anti-British pronouncements. What were once described as "misguided British efforts to put a wayward country's house in order" were now being called a reassertion of "Britain's colonial dominance" (*Eikoku no shokuminchi shihai*).²⁵ With Chinese currency reform resulting in appointment of British

advisors to China's Central Bank, currency loan discussions (1936, 1938 and 1939), the flotation of bonds for a railway in South China from which -- contrary to the Nine Power Treaty -- Japanese capital was excluded (1936), and talks about credits for purchases of British capital goods (1938), criticism of British meddling in China gained resonance, particularly within Japanese military and ultra-nationalist groups.²⁶

As implied by Japanese criticisms, there was nothing in Britain's actions to suggest that they were motivated by anything other than self-interest.²⁷ But as China's role in its financial regeneration became apparent, currency reform was transformed from being a foreign imposition into an indigenous initiative. Therefore, Japanese accusations that the process represented simply the workings of British imperialism could not hide (and were perhaps being voiced to deflect attention from Japanese anxiety about) the possibility that -- together with a unified Maritime Customs Service and Chinese migration to the under-populated Northern Provinces²⁸ -- the adoption of a managed currency represented one of China's most serious challenges to Japan's plans of developing a separate, Japanese-dominated North China-Korea-Japan economic and political block that was no longer under Chinese control.

The Currency War in North China

Japan's increasingly hostile criticism of Western policy in China was accompanied by intensified efforts by its armed forces to create "a completely subservient" regime in the North. The Japanese Army had already forced the Chinese government to remove any local official it did not like; in 1935, it went one step further by inaugurating the Hopei-Chahar Political Council as a separate regime under its control. A few months later, when it became clear that this group "represented nothing but... (personal) ambition and a readiness to subordinate all other considerations in... pursuit" of its own self-interest, the military threw its weight behind a regime in East Hopei headed by a "self-appointed Dictator" who, it was hoped, would be more effective in carrying out Japanese plans. However, his "record of dishonesty" was so extreme that the process of governing became little more than an exercise in family-enrichment.²⁹

Concerned primarily with sabotaging Chinese national unification efforts, Japan seemed less interested in promoting efficient government than in using these creations to undermine the authority of the Chinese Government. Under the guise of promoting "new realities," the Japanese military demanded that Nanking impoverish itself by sanctioning the diversion of a portion of the Chinese

Maritime Customs' receipts from North China to finance these new regimes, while agreeing to lower tariffs on the major items Japan was smuggling into the region.³⁰ But when in late-1937 Japanese residents and military advisors in Hopei were murdered by supposedly pro-Japanese officials, the Japanese became sufficiently alarmed by the incompetence and venality of their creations to replace them with the Provisional Government of North China. Armed in theory with a mandate for the entire area, this group consisted of anti-Kuomintang warlords, narcotics' profiteers and other "unreliable old men" recruited to front the decisions of a North China occupation force that Japan in late-1937 had augmented from 10,000 to over 200,000 troops.³¹

As part of the process of preventing the creation of a unified Chinese state, these transformations were intended to eliminate conditions in which the national currency could take root. But unlike the situation in occupied Manchuria, where Japan had been more successful in imposing financial control, the notes circulating in North China were part of a unified monetary system and were recognized on international money markets as legal tender.³² They were also backed by an entrenched resistance movement that by 1939 was in control of virtually all non-urban areas³³ and by fixed reserves and deposits in Chinese banks that were either outside Japanese-controlled regions or in non-Japanese administered zones

within occupied areas such as the British and French Concessions at Tientsin.³⁴ As a result, Japan's decision to intensify its previous efforts to separate North China from the rest of the country by invading the region failed to arrest the circulation of China's currency, or undermine its strength within the occupied areas.³⁵

This situation posed serious problems for Japan. As in Manchuria, currency control was crucial in North China as a means of extending the administrative power of fledgling occupation authorities. Japan's failure to consolidate its military hold over the area made currency control all the more important. With prolonged Chinese resistance, deployment of larger-than-expected numbers of troops, failure to entice investment for the strategic development of North China's iron and coal resources³⁶ and the region's continuing food deficits, the North China Army was forced to scale back initial occupation plans designed to promote Japan's economic autarchy to simply "paying for occupation expenses by the use of conquered resources." This strategy could not be implemented, however, without the ability to sequester assets, control banking facilities and force Chinese to invest in the "paper money" the Japanese Army would have had to print in "indiscriminate amounts" to defray its growing military costs.³⁷

Short of deploying troops in large numbers to rural areas and taking over foreign-run settlements -- including probably those in Shanghai and Hong Kong as well as Tientsin -- in which Chinese banks were located, there was no way the Chinese notes could be eradicated by military force. But developing an alternative strategy with the same end in mind, the North China Army in November 1937 decided to establish a new currency -- Federal Reserve Bank (FRB) notes -- exchangeable with the Chinese yuan (fapi) on a 1:1 basis until March 1939, when fapi would become illegal tender. The currency would be managed by a reserve bank and capitalized at 50 million yen, 50% of which would be paid up immediately. Of this, 12.5 million would come from the Provisional Government, which was meant to raise the money through bonds to be bought up by the Japanese government and Japanese banks, and 12.5 million from the reserves of the major local Chinese banks.³⁸

As a result of the 1935 currency reforms, the reserves and deposits of the Chinese banks were considerable. Over 50 million yuan (the equivalent of the same amount in yen) was estimated to be within the vaults of Chinese banks in foreign-controlled areas in Tientsin and Peking alone.³⁹ To induce the co-operation of the Chinese banks, the Japanese authorities dangled the carrot and wielded the stick. The carrot consisted of an offer of shares in the new reserve

bank and a decree that the new currency -- which was illegal tender in international money markets -- could be converted into yen at a rate of 1:1. Through this mechanism, FRB note-holders could purchase, through conversion into yen and then other denominations, foreign currency at a rate equivalent to that of the yen of about one shilling and two pence sterling for each FRB unit.

The stick consisted of declarations of intent to curtail various Chinese banking operations in North China. Arguing that the National Government had never acquired the right to issue currency in North China, Occupation officials withdrew note-issuing authority from the Chinese banks, made persistent efforts to make the banks' reserves subject to Japanese scrutiny or to have them transferred to Japanese-controlled areas, and imposed progressively severe restrictions upon local and foreign exchange dealings in Chinese currency.⁴⁰ Through these measures, it was hoped that the transfer of reserves and deposits to parent affiliates in Free China or other areas outside Japan's control would become impossible.

Despite these measures, it was soon apparent that the necessary co-operation from both Chinese and Japanese sources would not be forthcoming. Proposing to finance a new currency to take the place of over 300 million Chinese fapi with a paid-up capital reserve of only 25 million yen (a

ratio of less than 1:12) made the prospect of severe inflationary pressure unavoidable. Furthermore, the actual paid-up backing amounted to considerably less than that figure: with Chinese banks refusing to transfer any of the 12.5 million yuan they were expected to contribute to the puppet currency's reserve, and the 9 million yen's worth of reserves promised by Japanese banks (in return for acquisition of Provisional Government bonds) remaining within Japanese vaults, the only backing that was actually handed over to the Federal Reserve Bank was 3.5 million yen's worth of silver stock from the Japanese government.⁴¹ Yet, largely because of North China Army pressure to produce unlimited quantities of notes, over 450 million yen's worth of Japanese-sponsored currency had been printed by 1939 -- in excess of 150 million yuan (of Chinese dollars) of the fapi that were circulating.⁴²

To back an issue of over 400 million yen's worth of notes with ~~only 6~~^{less than 4} million yen of reserves was an act of recklessness that had predictably disastrous results. By May 1939, the FRB currency was trading at a 34% discount with the North Chinese fapi, which was also declining rapidly in value (trading at only 8 pence, down from its official value of one shilling and two pence, in early 1939 on the Shanghai and Hong Kong money markets, the fapi plunged to 6 pence and then 3 pence during June and July of that year).⁴³ With

Federal Reserve Bank notes shunned by Chinese, Japanese and foreigner alike, Japan's policy of forcibly converting fapi into FRB currency failed resoundingly. Attempting to eliminate fapi by March 1939, the Occupation authorities were confronted in July by the continuing circulation within the North China region of hundreds of millions of yuan of Chinese government currency notes.⁴⁴

Because Federal Reserve Bank notes could still be exchanged in Japanese money markets at the official rate of 1:1 with the yen, these failures had severe financial repercussions for Japan. With the divergence of the official and actual value of the FRB currency, trading firms, entrepreneurs and smugglers could make huge profits at Japan's expense in currency and other exchange transactions by acquiring Federal Reserve Bank notes at a heavy discount in China and then selling them in Japan at the inflated official rate -- which, by the summer of 1939, was about five times the notes' real value. With the preservation of Federal Reserve Bank currency at the inflated 1:1 ratio with the yen, Japan was purchasing imports from North China at about five times their real price and selling exports for about 1/5 of their real value. This ensured that the Federal Reserve Bank currency-yen link would put more downward pressure on the yen, which since the expansion of

hostilities in 1937 had already fallen twice below its official exchange rate on international markets.⁴⁵

Poorly conceived and ineptly implemented, Japan's currency measures might nevertheless have benefited the home country had they helped to improve North China's economic output. With reserves of coal and iron and the incipient growth of a cash-crop agriculture (especially in cotton), the region had the potential -- if not of making Japan "self-sufficient in national defence" or enabling it to "sustain war with war" -- of at least "supplementing Japan's economy with conquered resources."⁴⁶ A booming North China might have been able to exchange the increasing number of internationally unconvertible Federal Reserve Bank notes that Japan was accruing from sales of its exports to the region for goods that would ultimately benefit the Japanese economy.

This was not to happen. Since North China traditionally suffered trade-deficits and was not self-supporting even in food, Japan ran up large trade surpluses with the region that became even larger with its military domination after 1937.⁴⁷ But because of other problems -- in particular the strangulation of North China's other foreign trade, indigenous anti-Japanese resistance, failure of FRB currency, the Occupation authorities' inability to generate capital for infrastructural development and the reversion of

much of the countryside to subsistence farming -- North China's economic output was actually contracting. With the flood of Japanese imports into the region matched by a fall in output of Chinese export industries such as coal mining and the decline in cultivation of cotton and other cash-crops, FRB notes held by Japan as a result of its trade surplus with North China could only be used to purchase goods that were increasingly scarce, useless, expensive and irrelevant to Japan's economic needs.⁴⁸

Faced with a situation in which the survival of China's currency threatened to turn the occupation of North China into a Japanese as well as a Chinese economic disaster, Japan reacted to its worsening monetary and trade problems in the region with anxiety and consternation. In the summer of 1939, the Governor of the Bank of Japan even advocated the de-linking of FRB currency from the yen.⁴⁹ Likely to have had a dire impact upon the North China Army-sponsored currency, the Army's ability to finance itself and even the security of its troops, this recommendation was not implemented for lack of military support. But to prevent similar proposals from being made in the future, Japanese authorities in China began to search for other methods of shoring up the puppet currency. One of these was the imposition of "severe pressure on the concessions" and other

foreign-controlled zones in which Chinese government currency was circulating.⁵⁰

The Tientsin Concessions and the Currency War

Although only a few miles wide, the Concessions had played a disproportionate role in the economic development of North China. Acting as a funnel for foreign trade and investment into the area, the British and French Concessions alone accounted for 80% of all Tientsin trade.⁵¹ The enclaves were also responsible for the development of a regional economy geared largely to the production of primary or semi-finished materials for manufacture in industrial enterprises located within the Concessions.⁵² In addition, branches of two Chinese banks in the British and French Concessions at Tientsin -- the Bank of China and the Bank of Communications -- had under China's Central Bank acted as local reserve depositories and note-issuing authorities of the national currency that was created in November 1935.⁵³

By providing these institutions with an opportunity to carry on operations while Japan occupied the surrounding areas, the British and French areas at Tientsin helped solidify fapi as the major currency in the region. Together with the Foreign Legation area in Peking, the enclaves housed between 50 and 60 million yen in fapi currency reserves.⁵⁴ Slightly more than Japan's proposed

capitalization amount for the puppet currency (50 million yen), this figure was at least five times larger than the actual backing that was mustered for the FRB notes (10.7 million yen). In addition, the existence of the Concessions as autonomous areas within Japanese-occupied North China provided a means by which fapi could be funnelled out of the region entirely. The remittances to South China of Chinese banks within the British and French Concessions at Tientsin in the first four months of 1939 alone amounted to an estimated 70 million yuan in fapi notes, about one fifth of the currency estimated to be circulating in North China.⁵⁵

Although widely supported, the creation of a unified currency did not receive unqualified endorsement in North China. Since the fapi's inception as a managed currency in November 1935, North Chinese authorities had continually refused to allow the silver deposited in the region's banks to be transferred to the Chinese Central Bank in the South. Because of local distrust of any outside group seeking to remove local wealth from the region, the question of whether the silver that was withdrawn from circulation in the North belonged to the Nanking government, or whether it could be transferred from North to South China, remained unresolved. Attempting to exploit such suspicions, the North China Army argued that the assets belonged to the people of North China, not a southern-based regime that had never been able

to establish its authority over the region, and that fapi, as a "foreign" creation, should be eradicated entirely.⁵⁶

These arguments were not without plausibility and were naturally of great convenience in furthering Japan's plans of separating the North from the rest of China. But they were based on the assumption that China's national currency could be eradicated from the occupied territories simply by raising doubts about certain aspects of its management. But the existence of opposition in the North to the transfer of silver deposits to the South did not prevent the national currency from establishing itself as the region's main medium of exchange. Nor was this process reversed by the 1938 launch of the FRB currency and the 1939 fapi-for-FRB note-conversion scheme. There also seemed to be scant indigenous support for moving the currency reserves out of the Concessions into a Japanese controlled institution elsewhere in North China. With their hands forced by these unwelcome developments, the North China Army began to blame enclaves such as the British and French Concessions at Tientsin for the failure of the Federal Reserve Bank notes throughout the entire region, as well as for being the main obstacle preventing the fapi's "natural" disappearance from the rest of the occupied areas.⁵⁷

The Concessions had undoubtedly played an important economic role in North China. But this did not mean that

simply getting these areas to change their currency policies would be enough to bring about a fundamental change in the currency situation in as a whole. For instance, the bank deposits within the British and French Concessions (about 40 million yuan) comprised only about one eighteenth of the value of the fapi reserves held outside North China (just over 700 million yen), an amount too insignificant for their transfer to Japanese-occupied areas to have had a significant downward impact on the fapi. The remittances to South China from the Concession banks had certainly helped thwart the North China Army's fapi-for-FRB note-conversion program up until the spring of 1939. But, in the words of North China Army Chief of Staff General Muto, "there had been" -- partly as a result of this very development -- such "a great exodus of silver from (North) China" by the summer that "there was now very little left" for anyone else to lay hands upon.⁵⁸

In addition, the Japanese military was soon to discover that isolating the Concessions would not prevent China's currency from circulating elsewhere. For political as well as economic reasons, fapi had been the preferred medium of exchange in numerous areas in North China outside, and with very few links to, the British and French enclaves. These included Border Governments and other guerrilla-dominated regions, in which Federal Reserve Bank notes were often

prohibited on pain of death.⁵⁹ As the currency continued to circulate both in outlying regions such as these and in other foreign-dominated areas in close proximity to the Japanese military,⁶⁰ it became apparent that the outcome of the currency war in the region depended less upon what was happening within the foreign areas at Tientsin than upon whether Japan could make Federal Reserve Bank currency a sufficiently attractive alternative for Chinese government notes to disappear from the region of their own accord.

This was a daunting task. Japan had introduced with virtually no backing or international recognition a currency that was meant to take the place of a unified, internationally-backed currency system that was already in place. With much less than one half of the over 300 million yuan total of fapi notes in North China having been converted into Federal Reserve Bank currency by May 1939,⁶¹ even the Japanese Foreign Ministry realized that prospects for establishing a successful currency were slim.⁶² By recognizing that Federal Reserve Bank notes might become more unstable and that the policy of exchanging fapi for Federal Reserve Bank notes at par was unlikely to catch on, the Foreign Ministry's position was not markedly different from the British view that, currency agreement or not, the persistence of fapi in North China, the continuing weakness of its puppet rival and the failure of Japanese efforts to

substitute one for the other were not primarily the consequence of recalcitrant foreign Concessions, but of more intractable problems that were beyond the capacity of either Japan or Britain to solve.

With its financial independence linked to the solvency of the puppet currency, the North China Army remained interested in bolstering the Federal Reserve Bank currency under whatever conditions. But as time went by, a growing awareness that the Concessions were insufficiently important to determine the currency situation in North China one way or the other called into question the value of coming to an agreement with Britain at all. As a result, an initiative that was originally conceived as a means of "fulfilling the objective of establishing a sound currency system in North China" (Hoku Shina tsuka seido o kakuritsu shi, tsuka kachi iji o tassei suru koto o mokuhyo shi)⁶³ was in danger of being exploited -- and used as a justification for -- a political campaign geared to destroying the national credentials of the Chungking Government and blackening the reputation of Britain as its principal backer.

Chapter Four: The Widening of the Crisis (2): The Political Dimension

The Imposition of the Blockade

As the North China Army had promised, the blockade of the adjoining British and French Concessions at Tientsin from 15 June was "stringent" and "severe." Japanese troops placed checkpoints on the seven roads linking the British and French Concessions to the Chinese city, the wharves on the river and the Japanese Concession. At these checkpoints, which were in operation between 6 a.m. and 10 p.m., Japanese and puppet officials subjected persons entering or leaving the blockaded areas to interrogations and searches. Entry of all goods into the concessions under siege except essential food items and medical supplies was forbidden, and riverboat pilots were directed to get temporary permits from local Japanese military authorities and instructed to on- and off-load their cargoes at Japanese-controlled wharves.

As a result, the number of people entering the British and French areas each day declined by 60 percent (to about 3,000) by 19 June 1939 and business activity was brought virtually to a complete standstill. By 26 June, according to a Japanese police report from Tientsin, most large Japanese companies with offices or warehouse facilities within the Concessions had withdrawn from the besieged areas.¹

This was not the first time that the British and French settlements had been blockaded. Between December 1938 and February 1939, the North China Army had imposed restrictions on people and goods entering the areas and issued edicts instructing businessmen to remove their enterprises from the besieged locations. But the main objective of the earlier blockade was the interdiction of Chinese guerrillas suspected of using the Concessions to further their operations; and the sanctions on foreign business were imposed primarily to register discontent at Britain's failure to clamp down on Chinese political activists.² This blockade, however, was not conceived primarily as an anti-terrorist device. In the words of the 13 June 1939 North China Army directive, the aim was to "foster disorder within the concessions" (sokunai kakuran o shisakusu) and to undermine the legitimacy and effectiveness of British and French rule.³

Carrying out such an objective required a blockade of considerable duration. But how long the siege of the Concessions should last was at first a topic of considerable controversy amongst the Japanese. With British and French fiscal non-co-operation in North China being declared a threat to the safety of Japanese troops, some junior officers made veiled threats about "seizing the currency reserves" (genkin no jitsuryoku sesshu) within the enclaves

if Japan's economic demands were not met.⁴ Emphasizing also the disruptive impact of various currency counterfeiting operations discovered within the Concessions, these officers believed that the mere threat of military action would be enough to bring about an immediate British capitulation to all of Japanese demands. But concerned about the possibility of wider foreign involvement in the wake of extensive military demands already being put on Japanese troops in China, Lieutenant-General Sugiyama Gen, the North China Army Commander-in-Chief, rejected this approach in favour of a siege without a time limit.⁵

With a long-term blockade, it was possible to implement a series of Japanese-inspired disorderly acts within and around the Concessions that would gradually erode the effectiveness and legitimacy of the Concession authorities. But as before, the Chinese were likely to be most inconvenienced and harrassed by the Japanese and their collaborators at inspection points. Not just factory workers but also white-collar Chinese employees of the Concession authorities were singled out for abuse. With as many as 80 percent of the Chinese clerical staff of the British Municipal Council living outside the British area, this group was particularly vulnerable to the taunts of Japanese-controlled, Chinese crowds demonstrating outside the settlements. Anonymous threats were received by families of

Chinese employees of the British Municipal Council police force in particular, bringing about three resignations from the force by the end of the month.⁶

In another destabilization tactic, the Japanese military made efforts to ensure that the Concessions would not have enough food to feed their inhabitants. This meant prohibiting, or strictly curtailing, the entrance of fresh produce into the British and French areas, while depleting the considerable stocks of food that had been hoarded within.⁷ To sabotage daily business, the blockade generally prevented people going in and out of the British and French settlements. But in an effort to generate food and drink shortages in Concession eating areas and markets, Japanese sentries surrounding the enclaves occasionally allowed, or even forced, large numbers of Chinese into the British Concession (13 and 19 June).⁸ To drive up prices even further, a committee was set up under the leadership of a senior North China Army General Staff official that consisted of local representatives from Mitsui and Mitsubishi who were to launder Federal Reserve Bank funds and pass them to Japanese agents so that they could surreptitiously buy up the flour, rice and other staples that the besieged settlements had already stockpiled.⁹

These actions resulted in a steep rise in the price of essential goods. The North China Army's refusal to allow

into the Concessions anything except the most essential food items soon resulted in a 50 percent price rise in beef, eggs and potatoes inside the British and French areas from the day the blockade was first imposed. By 22 June, Japanese undercover agents had bought up almost 100,000 of the estimated 2.7 million sacks of wheatflour within the blockaded areas and expected to buy up the rest by the 25th. As a result, flour had become between twelve and fifteen times more expensive inside than outside the Concessions. Two days later, according to Consul-General Tashiro, stocks of meat, vegetables and fish had reached very low levels within the French Concession. By 29 June, the price of all vegetables entering both settlements from Shanghai were automatically marked up 60 percent.¹⁰

Anti-British Discrimination at Tientsin

Part of the effort to make the Concessions "ungovernable" was the instigation by sentries manning inspection posts around the Concessions of a campaign of racial harassment directed against Westerners. A novel tactic that received much comment in the western media, these incidents never resulted in serious bodily harm or death. In addition, the number of people subjected to serious abuse in the early weeks of the blockade numbered only about two dozen, with reported instances of

mistreatment declining markedly from the beginning of July.¹¹ Within those limits, however, the treatment could be severe, as the following examples illustrate:

"girl... was manhandled and called 'Ni Ma Ti Ke Pi' several times by one of the Chinese police who was acting under the Japanese sentries. Expression is one of the filthiest swearwords... Girl... understood Chinese well enough to know it was the worst type of swearword (and) was reduced to hysterics."

"Two male British subjects leaving concession this morning (were) stripped naked, had their private parts tickled and were made to put on (their) clothes in the open."

"A Mr. Ivor House (who was) going out of the Concession through the Woodrow Wilson Street barrier was compelled to take off all his clothes, stretch his legs apart and have his hair searched in full view of many passers by, including women... (His companion was also) stripped, ordered to open his mouth for inspection and when it was not opened wide enough for the satisfaction of his examiners, it was pressed open with his own passport."

(case of Mr. Whitewright and Mr. and Mrs. Finlay who were) "told to go out and (whose) clothes were flung outside into road one by one after (them) so that (their) dressing took place in full public view."

"While going to his office, which is in Japanese controlled territory, (Mr. Donaldson) was compelled to strip and open his mouth. A Japanese sentry then sharply struck him on the head and chin, shutting his jaws with a shock. Donaldson was then made to extinguish a cigarette with his bare feet. Finally he was forced out of the Japanese shed clad only in his shirt. He was ordered to bend as he left and was then kicked."¹²

In these and other instances of abuse, the similarity of treatment was striking. While none of the victims

suffered serious physical assault, systematic efforts were made to degrade them psychologically. Many of the methods used to bring this about -- such as verbal abuse, indecent exposure of bodily parts during searches, exposure of victims to public view during part of the search and prolongation of the victims' embarrassing exposure to the public through, for instance, making them wait virtually naked for their clothes to be thrown out to them one by one -- were identical. Furthermore, the actual searches were, according to the victims, usually carried out by Chinese or Koreans under Japanese surveillance rather than by the Japanese themselves, a ploy that provided the North China Army with an opportunity to distance itself from a policy for which it was nevertheless entirely responsible.

Imposed neither haphazardly nor as a result of the mercurial temperaments of interrogators, these humiliations were inflicted according to clearly preordained guidelines. One of these was a policy of discrimination between British and other western nationals, many of whom were issued passes by the Japanese military in a somewhat uneven effort to show that its actions were not aimed at westerners generally.¹³ This often meant no more than some non-British expatriates being inspected first while Britishers were told by "most offensive" officials to wait an extra half-hour.¹⁴ But certain acts of discrimination -- such as that of "British

subjects in motor cars hav(ing) to dismount" to "take their place with Chinese riff-raff in the boiling sun while other foreigners go straight through,"¹⁵ or of a senior British manager of a Chinese railway company being "compelled to take off his trousers, socks and shoes... (while) a Swedish junior railway employee... was allowed to pass without examination"¹⁶ -- symbolized to a demoralized community yet "another nail in the coffin of British prestige."¹⁷

Such actions left westerners at Tientsin in no doubt about Japan's overall objectives. In an assessment from Consul-General Jamieson that bore striking resemblance to the sentiments of some within the Japanese Foreign Ministry's East Asia Bureau, they were to induce "Chinese, who in normal times dislike the existence of any foreign concessions in China... (to) conclude that their belief in British strength is misplaced," while showing "Japanese who have tacit respect for the white races and for British in particular... that they can with impunity humiliate British people."¹⁸ There was also concern that largely "uneducated" Chinese, who supposedly suffered from "innate anti-foreign tendencies" and had "no counter-propaganda" to combat the accusations of "professional agitators," would be "influenced by a few malcontents" to riot or force other Chinese to resign en masse from employment within the

Concessions, particularly from the municipal police forces.¹⁹

This sense of foreboding was not limited to officials at Tientsin. Despite the small number of reported cases of harassment, the nature of the mistreatment of white men and women that did occur around the Concessions' perimeters was sufficient to prompt diplomats and government officials in Britain and the Dominions to declare that "Orientals can (now) insult Englishmen with impunity," the "British Empire is too enfeebled to react,"²⁰ "the white man's prestige in the East was at zero," and that "unless... rehabilitated, (that prestige) will inevitably sink to the same level in the countries round the Indian Ocean." To officials administering restive empires with inadequate military resources, the possible "domino effect" of the abuse of a mere handful of Westerners at Tientsin seemed to pose a far greater threat to British authority than Germany's take-over of entire countries in Europe. Indeed, worried about "repercussions in Africa which are as obvious as they may be disastrous," one official even criticized "the nations of Europe" for being "so blind with hatred of each other as to forget that the prestige of the white man is not the prestige of any particular nation but of the whole white race."²¹

The Anti-British Movement in North China

Although there were fears in London that the mistreatment of westerners at Tientsin might be part of a Japanese campaign to "throw Britain over -- and out" of Asia,²² this did not happen. The stripping of white people at inspection points around the blockaded areas at Tientsin provoked too much negative western press for such practices to continue without fear of reprisal. Therefore, although instances of harassment continued, with reports of not just British but also American nationals -- men and women -- having their "faces slapped" surfacing as late as 12 August,²³ racial harassment of Westerners, including British subjects, entering or leaving the Concessions declined markedly from about the middle of July.²⁴

With the blockade carrying on without letup, however, "widespread efforts to incite Chinese against British continued." Chinese employees of the British Concession's Municipal Police Force continued to be pressured to leave their jobs,²⁵ as were employees of British firms doing business in the Tientsin and surrounding areas.²⁶ In addition, restrictions on the entry of Chinese to the Concessions -- down to perhaps about one quarter of the pre-blockade number -- were accompanied, according to a late-July report of the North China Army's 27th Division, by the periodic issue of large numbers of entry permits to

collaborator-students to whip up anti-British fervour within. Meanwhile, it was decided to compound problems created for Concession residents as a result of dwindling, rotting or increasingly expensive food supplies by instituting a crackdown on opium smuggling to the barricaded areas.²⁷ In settlements containing numerous victims of chronic drug addiction, such a tactic had both anti-British propaganda value as well as the potential for instigating massive social disorder.

A similar pattern of sustained hostility towards Britain could be seen in the areas surrounding the concessions under siege. On 24 July, an "Anti-British League" was formed at Tientsin with the stated objectives of boycotting British goods, ending all commercial relations with British traders, pressuring Chinese employees of British firms to leave their employment and encouraging Chinese residents to evacuate the British and French Concessions.²⁸ A few days later, Chinese seamen responded to stepped-up Anglophobia by refusing to load British goods onto lighters and junks plying their way between Tientsin and ships either anchored on the Haiho river just outside the concession "bund" or berthed at the head of the river at Tangku some fifty miles downstream.²⁹ On 23 July and 4 August, Chinese demonstrators, assisted by "Japanese amongst

the crowd," invaded and smashed property belonging to British-owned shipping and trading firms in both towns.³⁰

These events coincided with a substantial increase of anti-British rhetoric throughout occupied China. With the overriding aim of whipping up hysteria, Japanese officials and their puppets became engaged in a war of words against Britain that was designed to reveal "how fruitless have been... (Britain's) attempts to meet Japanese requirements," and yet to show the British had no alternative but to comply absolutely with their demands."³¹ In remarks of such intemperance that even the propaganda of the anti-British movement in Japan seemed tame by comparison, General Staff officers and Special Services agents in China tried to break all limits in the extremity of their denunciations, one officer going so far as to say that British diplomacy -- which seemed to most people, including even some Japanese after an Anglo-Japanese accord was signed on 23 July, to smack of ingratiating servility towards Japan -- could be compared to "the acts of a fierce, vicious beast" (27 July).³²

Accompanying such verbal onslaughts were extremely virulent poster campaigns and editorials in the Japanese-controlled press. In Peking and other occupied areas, Britain was accused of promoting the "mutual slaughter of the yellow races" (although the British had supported

diplomatic mediation of the Sino-Japanese conflict since 1937) (16 July):³³ "forcing" the Chinese to purchase "mines, weapons and ammunition" from them (when the Chinese were in fact complaining that they needed more) (17 July):³⁴ "plotting" the "July 7th Incident (enlarging the Sino-Japanese War in 1937) to bring calamity to China" (when Japan's invasion of China actually heightened the threat to Britain's imperial position) (25 July);³⁵ and for being, together with the Chinese Communist Party, one of the two "evil influences" that had to be "overthrown" if China was to be "rehabilitated" (when British diplomacy had in fact been almost as hostile towards Chinese communism as Japan's) (25 July). On 5 August, a particularly imaginative poster appeared in Peking describing "the anti-British movement" as "the foremost opportunity for a Mohammedan revival."³⁶

These activities received little, if any, support from Chinese in non-occupied areas. But in a development that was interpreted by anxious British diplomats as a possible sign of changing Chinese loyalty, the authorities of "Free China" "never publicly utter(ed) any condemnation" of these events.³⁷ In addition, conservative Chinese nationalists -- "bankers, naval officers, ex-military men, business men, retired officials of the old Peking regime and rich second generation who do not have to work because of large land holdings, factories, etc... who helped to dissipate" the

Anti-British Movement of 1926-8 -- started saying that Britain's "inability to deter aggression" made it "no longer fit" to act as China's "elder brother" in "world affairs,"³⁸ implying that Japan would take over the mantle by default. Such feelings of betrayal, the British ambassador to China warned, might result in "a strong wave of feeling against us" that could "transform" "the present synthetic anti-British movement... into something real and dangerous."³⁹

These fears turned out to be overblown. By the North China Army's own admission, "the anti-British movement was not yet spontaneous amongst the Chinese" and it was because of this that "Japanese assistance" was "needed."⁴⁰ Therefore, the intensity of Japanese military involvement, be it through puppet officials, Japanese-appointed police officers, opium dealers, smugglers or other flunkies belonging to various collaborationist organizations such as the Hsin Min Hui, in organizing rallies, despatching Japanese in Chinese dress to pose as native protesters, printing materials critical of the British and pressuring Chinese workers to leave British employment or participate in anti-British events, was an indication that such activities would probably not have taken place under their own volition.⁴¹ Unlike the mass-meetings in Japan during the summer of 1939, which sometimes topped 100,000, anti-British protests in China were small-scale, closely controlled

affairs, usually amounting to no more than a few hundred people, perhaps reflecting -- apart from a lack of genuine Chinese enthusiasm -- Japanese concerns that, even under their tutelage, large-scale anti-British xenophobia could turn hostile towards them as well.

In an assessment of the anti-British movement written in November 1939, a British intelligence officer in North China wrote that considering "how quickly... Chinese anti-British feeling" had been raised in the past (particularly between 1925 and 1927), "taken as a whole, the results are negligible."⁴² The blockade of the Concessions carried on, as did other anti-British activities elsewhere in the region. But the intensity of the hostility towards western people never again reached the pitch of the first three weeks of the blockade, with only two anti-British activities being reported in the Tientsin area between the end of July and October of 1939.⁴³ In addition, the actions sponsored by the Japanese fell far short of encouraging Chinese to take over the Concessions entirely. Efforts to get Chinese to refuse work within the concessions, end their employment in British firms, or boycott British goods amounted to an invitation to engage in acts of limited non-co-operation, but not to revolt.

As the focus of the anti-British movement switched from rallies in Tientsin to vilification campaigns in Japanese-

controlled newspapers in other parts of occupied China, the dissipation of anti-British sentiment continued. With "the Chinese... loathing the Japanese even more than they loathe us (the British),"⁴⁴ there was always a danger that stoking up Chinese hostility towards Britain might simply boomerang on Japan. Some Japanese also had misgivings about the movement developing into an anti-Western campaign, with the added international hostility that that was likely to provoke.⁴⁵ Furthermore, it was difficult to back measures such as the reversion of the Concessions to China when Japan was itself the holder of a concession at Tientsin with which, as an area that had developed into an integral part of a lucrative underground narcotics economy, it was not prepared to part.⁴⁶ With Japan's major objective remaining the division of China, it became increasingly apparent that the North China Army-sponsored anti-British movement was designed less to stimulate Chinese revolt against Britain than enlist greater co-operation from a chastened and weakened Britain in furthering Japan's primary goal of extending China's subjugation.

The New Order In East Asia

As the Tientsin Incident widened, Japan's priorities underwent a gradual, but perceptible transformation. The introduction of the North China Army's currency demands

ensured that what was originally a local problem concerning how Britain and Japan would cooperate in clamping down on Chinese nationalists at Tientsin was converted to the wider purpose of enlisting British "co-operation in rebuilding North China."⁴⁷ But, spurred by the blockade of the Concessions and the anti-British movement that accompanied it, this objective was subsumed within a yet broader strategy of using the Incident to promote, in the words of the 1 July 1939 edition of the Asahi newspaper, a "change in Britain's attitude towards Asia."⁴⁸ Transforming "British attitudes towards Asia" was part of an agenda that originated neither in Tientsin nor in North China. It was instead the product of a growing Japanese discontent with multilateral treaties that were meant to govern international relations in Asia. Concluded primarily under British and American auspices in the aftermath of World War One, these agreements, Japan believed, represented an increasingly untenable set of arrangements that represented European greed rather than Asian realities.

In particular, Tokyo was faced with the problem of how to deal with an international community that was legally committed under the 1922 Nine Power Treaty to prevent China from becoming in whole or in part the exclusive preserve of any one country.⁴⁹ Preventing China from being taken over even more than it had been already did not mean support for

the removal of existing impediments upon Chinese sovereignty -- in particular, the foreign "rights and interests" that extra-territoriality had spawned, of which the Concessions at Tientsin were a part. But through the outlawing of aggressive wars under the 1928 Kellogg-Briand Pact,⁵⁰ the signing of collective security agreements to deter aggressors (1919 League of Nations Covenant),⁵¹ opposition to any unilateral challenge to China's existing territorial status and support for the principle of equal access for international trade and investment to all areas of the country (the Nine Power Treaty's "Open Door" clause),⁵² it was hoped that the existing balance of power between competing foreign interests in China could be preserved.

Japan was a signatory to all these treaties. But with its invasion of Manchuria (1931) and North and Central China (1937-8), Tokyo became increasingly vociferous in expressing its belief that these agreements were little more than cynically conceived mechanisms for the preservation by non-military means of an imperial position the West could no longer defend by military force.⁵³ A country which professed to have relatively few colonies of its own, Japan was being excluded from the markets of others and faced demographic, economic and military expansionist pressures from within. It therefore became politically difficult to carry on upholding treaties seeking to ensure that the one area into which

Japan could expand -- i.e. China -- would remain "off-limits" to any more unilateral Japanese incursions.⁵⁴ But, as long as these agreements remained on the statute books, the Japanese government faced the problem of how to obtain international recognition for the country's "belligerency rights" -- i.e. that it was involved in hostilities abroad in which Third Countries should remain uninvolved -- without igniting the possibility of international sanctions that a formal declaration of war with China was likely to engender.

Seeking to avoid confrontation with the West, Tokyo did not openly renounce the terms of these treaties. But in a more gradual process, Japan sought to change the situation on the ground in China sufficiently for their terms to cease having any real meaning. In particular, it was hoped that commitments to China's territorial integrity would be reduced to a fiction through piecemeal military advances that individually would be too insignificant for the West to consider applying the collective security provisions of interwar treaties in China's defence. Meanwhile, by declaring the conflict in China an "incident" rather than a "war," Japan hoped that the international community would absolve itself from the responsibility of addressing the issue of war guilt, or whether it had an obligation under various covenants signed since 1918 to uphold the independence of China as a victim of external aggression.

The international community performed very much in line with Japanese expectations. While issuing pro-forma (and somewhat oblique) criticism of Japanese military aggression, Britain and its associates seemed primarily concerned with ensuring that the collective security terms of interwar treaties not be invoked when Chinese independence, rather than the security of western interests in China, was primarily at stake. Blatant Japanese attempts to undermine China's sovereignty -- including the creation of a bogus "demilitarized zone" in North China south of the Great Wall (1933), the Amai statement (1934), the imposition of Japanese control over East Hopei (1935), the huge increase in Japanese-sponsored smuggling (1935-6) and the invasion of central and south China (1937-8) -- were not declared to be violations of the Nine Power Treaty provision upholding the sovereignty and territorial integrity of China, or provocations sufficient to implement the sanctions clause of the 1919 League of Nations Charter.⁵⁵

With the expansion of hostilities in 1937, however, the scale of the fighting changed dramatically. What had been viewed in Japan and sometimes passed off in the West as a police action of limited duration had escalated into an open-ended military conflagration that had spread to those areas of China -- the centre and the south -- in which the hub of western financial, trading and other economic

interests was located. Initially, the international community was reluctant to go beyond the position that the "military operations carried on by Japan against China" were "out of proportion to the incident that occasioned the conflict" and "inconsistent with the principles which should govern the relationship between nations."⁵⁶ These were limp statements that did not admit that Japan and China were engaged in full-scale war, or that Chinese territorial integrity was under threat, or even that Japanese aggression was the main cause of expanded hostilities. But, as the possibility that the West would consider retaliatory actions upon Japan emerged, pressure mounted on Tokyo to preempt such an eventuality by devising strategies that would force the international community to accord even greater legitimacy to Japan's position in China than it had already.

Tokyo made its move in November 1938, when Britain, the United States and France protested the closure to western commercial traffic of the Yangtze River, the crucial central Chinese artery that had been taken over by Japanese troops in the wake of expanding Sino-Japanese hostilities. Concerned that their position in China would be severely affected, these countries argued that Japan's action violated the Nine Power Treaty's Open Door provision. But Tokyo, which viewed these protests largely as the last gasp of imperial powers seeking to preserve a pre-eminence in

China that they no longer had the military or political means to sustain, responded by declaring that the provisions and principles of the Nine Power Treaty were "vague" (aimai) and "inapplicable" (risshienai) to the "new developments in the Far Eastern situation that had been brought about by the Sino-Japanese War" (Ni-Chu senso no kyokuto josei no shintenkai). This formulation was subsequently rephrased as the "New Order in East Asia" (Toa Shinchitsujo).⁵⁷

London remained unprepared formally to renounce adherence to the Nine Power Treaty or other conventions that were the subject of Japanese criticism. But in a move that was interpreted in Japan to be an attempt to come to grips with the new "realities" in China referred to in Tokyo's November 1938 communiqué, the British government had informed its Japanese counterpart on 15 January 1939 that it did "not contend that treaties are eternal" and that it would "consider any constructive suggestions concerning the modification of any multilateral agreements relating to China" that Tokyo might wish to make.⁵⁸ With extensive interests in China and a severely reduced military capacity to defend them, Britain's existence as an imperial power in Asia was becoming dependent on Japanese goodwill and military protection. London's January statement had suggested to Japan the possibility that an Anglo-Japanese agreement on China could be signed that, by specifically

mentioning Japan's belligerency rights in that country, would induce Britain to weaken even further its already-tarnished treaty obligations to uphold the sovereignty and territorial integrity of nations subject to external aggression.

Just six months after London's accommodating statement, the blockade of the British and French Concessions at Tientsin was imposed at the very time when the Japanese government was looking to obtain greater international legitimacy for its occupation of China. In the words of a 19 June Nichi Nichi Shimbun editorial, the root of the problem was "London's refusal to acknowledge new realities in East Asia and the continuation of its biased attitude in favour of Chiang (Kai-shek)" (Rondon seifu wa Toa no genjitsu o ninshiki sezu sara ni en-Sho taido o shizoku shi).⁵⁹ As a result, there was a marked tendency for officials in Tokyo to put specific demands by Japanese field armies for improved British and French military and economic co-operation in places such as Tientsin within a broader framework of a perceived need to "change... British attitudes toward the China incident" (Eikoku no tai jihen taido o zesei), "elicit British approval for the steps Japan is taking to solve the (China) Incident" (Eikoku no... waga jihen shori ni docho seshimuru)⁶⁰ and make the British

"recognize the new situation in East Asia" and cooperate in the construction of a New Order.⁶¹

The parameters of this widened agenda remained ill-defined and subject to debate. In a host of attempted clarifications, definitions of the "new realities" in East Asia ranged from more extensive collaboration with Japan's puppet regimes as given by Ambassador Shigemitsu⁶² and an end of all aid to the Chinese National Government as insisted upon by the War Ministry and ~~East~~ East Asia Development Board,⁶³ to the ending of extra-territoriality and a reversion of the concessions to China (Foreign Ministry East Asia Division).⁶⁴ To the British expatriate community, these statements were simply euphemisms for what they believed to be a co-ordinated Japanese attack on western interests designed to increase Japan's influence over both the concessions at Tientsin and international settlements in other Treaty Ports such as Amoy (Kulangsu) and Shanghai, in the expectation that the business activities of all foreign enterprise in China would, through these means, be subjected to complete Japanese control.⁶⁵

Using the Tientsin Incident to press for a wider agreement on China was not theoretically incompatible with support for the North China Army's military and economic demands concerning Tientsin. But it was apparent from the moment the blockade was imposed that the refusal of the

British and French authorities to hand over criminal suspects or cooperate with Japanese currency policies could be used to justify imposing a broader agreement in which the major issue under discussion would be "a general revision of British policies towards the Far East" (Eikoku no kyokuto seisaku ippan zessei no mondai).⁶⁶ In this situation, solving local issues at Tientsin would be of less importance to Japan than the extent to which, as unresolved problems, they could continue to be exploited for the implementation of this larger political end.

Chapter Five: From Tientsin To Tokyo

When the Japanese Army blockaded the British and French Concessions at Tientsin on 15 June 1939, there was a common assumption within Japanese military and government circles that negotiations for its lifting would be held locally at Tientsin. Two weeks later, however, it was agreed that the talks would take place in Tokyo instead. The proposal for a Tokyo conference on Tientsin originally came from Britain. With civilian rather than military officials directing negotiations far from the scene of conflict, it was hoped that a greater sense of Japanese "moderation" would be engendered.

This did not occur. In examining the reasons for this, this chapter emphasizes the difficulties facing an unpopular and divided Japanese administration in pressing its field armies that were popular and constitutionally well-protected to reverse an action that they had insisted was taken to enhance the safety and security of Japanese troops. The chapter also argues that Japanese politics had become so coloured by a pervasive mistrust and hostility towards Britain that increasing the public profile of the Incident by moving the discussions to Tokyo had the effect of putting at risk the career and physical safety of any politician suspected of being willing to settle for anything less than British capitulation. This, it is suggested, might have made

the prospect of a compromise solution more remote than could have been the case had discussions been left in the hands of "extremist" military officers at Tientsin.

The North China Army Asserts Its Operational Prerogative

"In order to fulfil our fundamental security requirements," a Japanese military official at Tientsin argued, "we have no alternative but to impose a rigorous blockade and inspection of both Concessions" (shizen no boei sochi toshite, ryo sokai ni taishi genju naru kenmon oyobi kensaku o jisshi suru no hoka naki mono to mitome).¹ Under the Meiji Constitution of 1889, national security issues were the preserve of the Emperor as Commander-in-Chief, concerning which the armed forces had the right of direct petition to the Throne.² Although non-military organs of state were not expressly prohibited from proffering advice upon these matters, army leaders were arguing by 1939 that questions relating to security, national defence and the deployment of troops abroad were "operational" issues beyond the purview of non-military officials, including the Prime Minister, Cabinet, Privy Councillors and Elder Statesmen, over which they could therefore neither negotiate nor compromise.

With reference to Tientsin, no one within Japan questioned the North China Army's contention that the

blockade around the British and French Concessions was an operational measure necessary for reasons of military security. But whether the North China Army's conditions for the lifting of the blockade were also essential for the safety of its troops was less clear. Lieutenant-General Homma Masaharu, Commander of the North China Army's 27th Division, argued that Japan's non-negotiable demands should be limited to issues directly related to troop security such as the handover of Chinese guerrilla suspects and the undermining of guerrilla capacity to inflict harm upon occupation soldiers. But of the opinion that "if predominance is given to solution of economic problems at Tientsin and these problems are indeed solved, Japanese military security will gradually improve of its own accord,"³ the North China Army General Staff believed that British co-operation with its currency and banking demands should also be considered as "necessary measures for the self-preservation of local Japanese military forces" (gun no seizonjo hissu no jiko).⁴

This far-reaching assertion of operational autonomy occurred at a time the Japanese government was particularly nervous about the prospect of its field armies being given freer rein. Diplomatically isolated since its withdrawal from the League of Nations in 1933, Japan on 6 June 1939 had to abandon its efforts to conclude a military alliance with

Germany. The despatch of over 42 divisions and a million men to China had failed to curb China's guerrilla insurgency, or quell Russian troops on the Manchurian-Mongolian border, the latest incident (occurring the previous month), ^{being} the consequence of unauthorized actions by Japanese officers in the field that resulted in unexpected military setbacks. These problems were compounded by Japan's increasing dependency on Western and particularly American markets for scrap iron and strategic metals that was a consequence of its invasion of China. Unwilling to provoke a showdown with the West, Yamamoto Isoroku, Vice Minister of the Navy, declared that "the Tientsin problem is an unwelcome distraction that will cause a lot of trouble if it is allowed to develop into something big" (Tenshin mondai wa... iya na mondai de, anna koto ga ogesa ni natcha komaru).⁵

The blockade of the Tientsin Concessions was first discussed at Cabinet level in a Five Minister Conference on 16 June 1939 (Prime, War, Navy, Foreign and Home Ministers). It was agreed that the administration "would support the action of its forces in the field to blockade the Concessions at Tientsin" (konkai no Tientsin sokai fusa wa desakigun nite nashitaru koto nareba kore o shiji shi). It was also recognized that the North China Army, which "would not be satisfied simply with the handover of the Cheng suspects but wanted British recognition of its economic and

currency demands" (hannin hikiwatashi nomi motte manzoku suru koto naku kinnyu keizai kosaku wa kore o mitomuru koto shidai nari), was advancing "reasonable demands" (gun no dashitaru yokyu wa dato naru mono toshite kore o shonin su).⁶ This admission, however, fell short of recognizing the North China Army claim that its economic demands were non-negotiable items crucial to the self-preservation of local Japanese forces.

Efforts to elicit more government support for the North China Army position fell upon deaf ears. In meetings on 15 and 16 June 1939 in the Imperial presence, the War Minister and the Chief of the Army General Staff apparently gave the Monarch reason to believe that "once the suspects were handed over," all that Britain needed to do was "to show sincerity" in its dealings with Japan (hannin hikiwatashi no ato wa, sono sei o mitomete kaiketsu suru).⁷ In "heated discussions" (tsuyoi giron) between the Prime Minister, the War Minister and the Foreign Minister on 16 and 17 June, it was agreed that the British must comply with measures to "preserve public order" (chian iji) and fulfil "the necessary conditions for the survival of the Japanese armed forces" (guntai seizon no tame hitsuyo joken).⁸ But the Army Chief of Staff then admitted that "while not unrelated" (kanren wa gozaimasu), "economic problems" (keizai mondai) were "not included in" (fukumarete orimasen) either category

and that the Tientsin Incident "could be treated as a political problem with economic issues placed to one side" (keizai mondai wa kirihanarete, seiji no mondai toshite toriatsukau).⁹

A similar sense of caution imbued the 17 June War Ministry-General Staff policy statement on the Tientsin Concession problem ("Tenshin Sokai Mondai Ni Kan Suru Ken"). Urging that everything concerning Tientsin be negotiated locally, this document suggested that Japan's central authorities simply "urge Britain to revise its attitude towards the China Incident" (Eikoku no tai jihen taido o zessei shi). The statement admitted that "a positive attitude" (yuiteki taido) towards the Japanese-sponsored Federal Reserve Bank currency was a "minimum step the British Concession must take to promote the self-preservation of Japan's military forces" (gun seizonjo hissu saishogen no Eikoku sokunai keizai sochi). But in a repudiation of the North China Army position, it was suggested that ~~that~~ the "actual (economic) details of such an agreement" (sono gutaiteki jiko ni oite wa) could be "negotiated on the spot after the blockade is lifted" (keibi oyobi kanshi kaijogo sesshu su) (italicization inserted).¹⁰

Although in many respects non-committal, the formula that was beginning to emerge was less uncompromising than Japan's negotiating position was subsequently to become.

According to the plan, if Britain was prepared to hand over the suspects, both countries could enter into detailed discussions to resolve the situation at Tientsin immediately. Although part of the final settlement might have entailed some sort of British recognition that "changed circumstances" in Asia had given Japanese armies of occupation the right to preserve order and take measures necessary for the safety of their troops, there was no move to make such an understanding a separate agreement that Britain would have to sign before the talks on Tientsin were to commence. In addition, Tokyo hinted that, with reference to economic issues, a commitment merely to negotiate constructively, but not necessarily an acceptance of all the North China Army's demands, might have been sufficiently acceptable for the lifting of the blockade, which could possibly take place before such negotiations had commenced.

Britain was subsequently to argue that attempting to solve the crisis through negotiations on the spot would have meant that the Japanese delegation would have been unduly influenced by "extremist" military officers rather than "moderate" civilian officials. As a result of what happened in the months leading up to the blockade, some of Japan's military representatives would no doubt have been in a suspicious and hostile mood. But, as members of the North China Army, such adversaries would at least have been able

to ensure that, once an agreement had been reached, the blockade would have been lifted. In addition, in sharp contrast to many in the Japanese press, public and even certain government officials in Tokyo, Japan's commander at Tientsin, Lieutenant-General Homma, was desirous of resolving rather than exploiting the Tientsin Incident as a "test-case" of British willingness to comply with the "New Order in East Asia." Had Japan's delegation been led by him, as would probably have been the case had discussions been convened in Tientsin, the British would have been faced by opponents who, while mistrustful of their intentions, might have been less afraid to compromise, less vulnerable to popular pressure and in a better position to bring about an end of the crisis than any team negotiating on Japan's behalf in Tokyo.

Ambassador Craigie's Proposes Negotiations in Tokyo

Frustrated at Britain's inability to prevent the imposition of the blockade and in particular annoyed at the role of the Ambassador to China, British Ambassador to Japan, Sir Robert Craigie, floated a proposal for negotiations at a meeting with Foreign Minister Arita Hachiro on 18 June 1939. In this meeting, Craigie told Arita (according to the Foreign Minister) that "if efforts were made to solve the Tientsin problem on the spot, (British

Ambassador to China) Clark Kerr's position of just seeing things from an Anglo-Chinese viewpoint would prevail" (Tenshin mondai o genchi nite kaiketsu sen to sureba Clark# Kerr wa Ei-Shi no tachiba nomi o kangaeru), making the talks "Sino-British in character and in neither of our interests." Arguing that "if moved to Tokyo, the whole affair could be treated as a bilateral Anglo-Japanese problem," which "would be much preferable," the British Ambassador proposed a conference between himself and the Japanese Foreign Minister, with British and Japanese representatives from Tientsin participating as their subordinates.¹¹

Ambassador Craigie mentioned none of the above remarks in his despatches to London. But in an effort to get the British government to support his proposal, he stressed his fear that talks in Tientsin might be taken over by "extremist" North China Army officers. He also emphasized the opportunity this Incident posed to advance a strategy of improving Anglo-Japanese relations through a resolution of local "points of difficulty."¹² Although Whitehall was divided over Craigie's strategy for improving relations with Japan, it was aware that Britain lacked the military capability to respond forcibly to the blockade, or international support for instituting economic retaliatory measures. Therefore, while realizing that they were opening themselves "to considerable humiliation and criticism,"

Whitehall instructed Craigie to seek a "settlement by negotiation... along the lines you have suggested."¹³

The Ambassador's proposal was endorsed by London on 19 June 1939 and submitted formally to Tokyo the following day. It contained three parts. The first was that negotiations should take place in Tokyo between himself and the Japanese Minister, with military and consular representatives from Tientsin participating as their subordinates. The second was that the negotiating agenda not be limited to the Cheng suspects, but that "all outstanding questions relating to Tientsin" be discussed. The third was a suggestion that, in return for Japan's acquiescence in the maintenance of British control over its concession, British authorities would follow a neutrality policy "compatible with the avoidance of acts prejudicial to the task of the occupying Power in maintaining law, order and economic life of the surrounding area."¹⁴

Craigie's proposal contained some ambiguity. It was unclear, for instance, whether Britain could avoid "acts prejudicial to the task of the occupying Power in maintaining law, order and economic life of the surrounding area" without violating another fundamental tenet of neutrality mentioned by Craigie: refusing to engage in "acts calculated to give aid and comfort to (an) occupying Power as against its opponents." Although Tokyo believed that

London's support of the Chinese National Currency (fapi) was an "act prejudicial to" Japan's "task" as an "occupying power" in "maintaining" the "economic life of the surrounding area," a decision to cease support for the fapi and collaborate with the puppet Federal Reserve Bank currency was likely to be regarded by China and most of the international community as an "act calculated to give aid and comfort to (an) occupying Power as against its opponent."

Japan Responds to Craigie's Proposal

Despite such ambiguities, the proposal held considerable promise for the Japanese. Craigie's offer to widen the scope of negotiations seemed to denote a new British willingness to revise its economic and currency policies in North China as part of a settlement over Tientsin. In addition, Craigie did not ask Tokyo to pressure local military authorities to lift the blockade, or even bring about an improvement in the treatment of British nationals at Tientsin, as a precondition for the talks' commencement.¹⁵ This seemed to denote an acceptance of Japan's contention that decisions concerning the implementation of the blockade of the concessions were operational matters that devolved entirely upon the North China Army, which could not therefore be dictated by Tokyo.

Craigie's proposal also had beneficial ramifications for Japan that went beyond Tientsin. In particular, the promise to "avoid acts prejudicial to the task of the occupying power" contained policy implications applicable to all occupied areas. Since 1937, Tokyo and London had been careful to call the conflict in China an "incident" rather than a "war," so as to avoid a situation where League of Nations member-states and the Nine Power Treaty signatories would have to accept that China was a nation under attack whose sovereignty they were committed by treaty to uphold. According to the Craigie formula, Japan was not an aggressor in China, but simply "an occupying power" with a task to maintain "law, order and economic life" of the area under its control. If the formula were accepted, Britain would still preserve the fiction that Sino-Japanese hostilities did not amount to war, while going further than ever before in recognizing that the two countries really were at war, that Japan's occupation of China was a stabilizing event and that Britain would follow a stricter policy of neutrality. As the Chinese Ambassador to Britain was later to point out, Japan would be able to "enjoy the rights of belligerency without having to make a formal declaration of war."¹⁶

Predictably enough, Foreign Minister Arita responded to Craigie's overture in a very positive fashion. Interpreting the offer as an indication of British interest in solving

the situation at Tientsin by re-adjusting British policies in China to be more in line with Japanese desires, he made encouraging remarks to Craigie during their talks on 18 June and indicated to a colleague the next day that "negotiations on the Tientsin Incident should be held in Tokyo."¹⁷ On 21 June, the Foreign Minister convened a meeting of "concerned officials" (kankeisha atsumari) in which he said that, while in principle supportive of on-the-spot talks, he felt that having negotiations in Tokyo would be a good way of finding out how far the British "were prepared to recognize and cooperate with the new conditions prevailing in East Asia" (genchi kaiketsu o yuri to kangaeru mo, Ei ga Toyo no shin jitai o shonin shi, makotoni kyoryoku suru taido naraba koryo subeshi).¹⁸ Apparently eager to eliminate the influence of Ambassador Clark Kerr and promote a bilateral Anglo-Japanese solution, Arita's colleagues agreed to pursue a settlement based upon respect for Japanese interests, "improvements" within the British Municipal Council and no lifting of the blockade until negotiations had ended.¹⁹

As could be seen from Arita's remarks about using a conference in Tokyo to ascertain Britain's co-operation with "new conditions" in Asia, the link between the Tientsin problem and the wider issue of changing British policy towards Asia was generally considered crucial by Japanese policymakers. In an uncompromising affirmation of this, a 26

June memorandum from the Foreign Ministry East Asia Bureau argued that Japan should use the Tientsin crisis to do nothing less than "reconstitute the basis of Japan's relations with foreign states according to moral principles" (kokusai kankei no kiso o dogikashi). Specifically, this meant opposing the system of extra-territoriality and the "Unequal Treaties" and insisting that the British and French return their concessions at Tientsin to the Chinese. Having urged (on 6 June) that the Tientsin Incident be used to force Britain to "end" its "pro-Chiang (Kai-shek)" policies, the East Asia Bureau believed that Japan's "mission" in China -- i.e. Chinese "liberation" from communism, western imperialism and its "Chinese surrogate," the Kuomintang -- could best be pursued by pressuring Britain, "the ringleader of imperialist powers in Asia," whenever the opportunity arose.²⁰

These sentiments were the more extreme manifestations of a general desire to challenge the policies and interests of western powers in China. For not just those within the Foreign Ministry East Asia Bureau, but also the North China Army, members of the military authorities in Tokyo, the Japanese public and other government officials, the Tientsin Incident had to be solved within the vortex of discussions upon British foreign policy towards China. Within this broad consensus, however, there were elements -- particularly

within the War Ministry, General Staff and ultranationalist pressure groups -- who were predisposed to regard anything short of a British recognition of the "New Order in East Asia" and a capitulation to North China Army demands over Tientsin as a betrayal of the national interest. Stoking these suspicions, leaders and editorials in the national press warned that British diplomatic demarches were a trap designed to involve the United States on Britain's side, not to reach an agreement upon changing Britain's rôle in Asia.²¹

To ward off such extremist views, Foreign Minister Arita decided that he wanted to "limit as far as possible the problems to be discussed" (Tenshin mondai wa akumade kyokuchi teki no mondai toshi).²² As could be seen from his statement about using discussions on Tientsin as a way of finding out British attitudes towards the New Order in East Asia, this did not mean that he intended to solve the problems at Tientsin without reference to such larger questions. But as far as the Foreign Minister was concerned, a willingness-in-principle to use any opportunity to force Britain, France and the rest of the international community to end diplomatic recognition of the Chungking government, initiate relations with Japanese puppet regimes and do whatever else was necessary to recognize the "new conditions" in East Asia was tempered by a scepticism about

the feasibility of using this particular incident to promote such action. In Arita's words, "now was not the time to use this incident as an opportunity to press for a solution to the problems raised by British interests in central and southern China."²³

Because Britain's stake at Tientsin was a fairly unimportant component of a complex of interests throughout China with its nucleus situated in the South, this stance made sense to a number of people. For instance, Asakai Koichiro, a junior member of the Foreign Ministry East Asia Division, argued that it was "virtually impossible for Japan to get Britain to change its policy towards China as a whole" because the "British position in China" could not be fundamentally undermined "just by applying pressure at Tientsin."²⁴ But, as with Arita, the basis of Asakai's opposition to using the discussions on Tientsin to pursue more ambitious goals was pragmatic rather than ideological. With nothing to suggest that these men were temperamentally less interested than anyone else in bringing about a "new order" in Asia, it was becoming clear that, at least with regard to Tientsin, "the difference between the extremists and the moderates," in the words of Commercial Counsellor and Japanologist Sir George Sansom, was "not one of destination but of the road by which that destination is to be reached and the speed at which it is to be travelled."²⁵

On this basis, a desire for a compromise solution to the crisis was prevalent amongst other groups as well. With the North China Army's decision to comply with the order sent by the Tokyo General Staff at the end of May not to invade the Concessions, military officials in China as well as Tokyo realized that Japan could not retaliate immediately in the event of any British or French reluctance to comply with Army demands.²⁶ In addition, the Navy, which had traditionally been cautious about the prospect of deteriorating relations with Anglo-American Powers, had become increasingly determined since the collapse of negotiations with Germany for a military alliance to ensure that the Tientsin Incident not provoke a military showdown with Britain (Nichi-Ei buryokyu shototsu no jitai o sakui sezarū). Advocating that a general conflict with the Western Powers over this issue be "avoided at all costs" (zettai ni zenmen shototsu no jitai ni tachiitarazaru koto), the Navy Ministry recommended that the problem be "treated as a local matter" (kyokuryoku genchi ni kyokugen shi),²⁷ a stance that was supported also by senior statesman (genro) Prince Saionji, members of the Imperial Household and Home Minister Kido Koichi, that is, the nucleus of the so-called Anglo-American faction (Ei-Bei ha).

Sensitive about the need to head off any possibility of economic sanctions, Japan's leading economic and financial

institutions were also desirous of a compromise solution at Tientsin. Since foreign trade with areas outside Japanese military control remained crucial to the country's economic growth, there was a general recognition that Japan was still vulnerable to Anglo-American sanctions. For leading conglomerates such as Mitsui and Mitsubishi, which had a greater proportion of their business dealings with the western world -- or areas dominated by it -- than with Japanese-controlled areas in Asia, the spectre of growing Anglo-American counter-measures against Japan loomed particularly large. Since these could include a dissolution of Anglo-Japanese and United States-Japan trade treaties granting Japanese goods most-favoured nation trading status, and even an embargo on strategic raw materials such as oil, it was not surprising that, in the words of a Mitsui memorandum to the Foreign Ministry, they wanted "the (Tientsin) problem to be limited as much as possible and conciliatory solutions to be sought."²⁸

The Position of the Army

Being most likely to gain from the imposition of a new order in East Asia, the Army had a vested interest in utilizing the situation at Tientsin to pressure Britain into coming to a larger political agreement. But the outbreak of the Tientsin crisis had occurred unexpectedly, during a time

that the Army was not in a good position to exploit it. Because the Japanese government had failed at the beginning of the month to conclude a military alliance with Germany, Japanese field armies could not count upon support from the Axis powers should matters at Tientsin escalate into a military conflict with the Allied Powers. In addition, central military authorities had to contend with a worsening military situation in other parts of Asia. The despatch of over a million troops to China seemed to have had more impact in arousing Chinese opposition than stabilizing the Japanese-occupied areas.²⁹ Matters were made worse by a deterioration of conditions along the north Manchurian-Mongolian border, with the outbreak since 1938 of military incidents of varying severity between Japanese, Soviet and Mongolian troops in which Japanese armies suffered considerable losses.³⁰

The worst of these incidents occurred on the North Manchurian-Mongolian border in the early summer of 1939. In late-May, a Japanese cavalry regiment was annihilated by Mongolian forces at a remote outpost called Nomonhan, precipitating a build-up of Japanese and Soviet forces on both sides of the border. Not wanting the dispute to escalate into war, the General Staff in Tokyo ordered Japanese forces in the field not to initiate attacks and to come to an agreement with their adversaries.³¹ But with

local Mongolian forces being steadily reinforced by Soviet troops, chauvinistic field army officers within the Kwantung Army became intent on striking the enemy while they felt they had the military advantage. Tensions on the border increased dramatically between 21 and 23 June 1939, resulting in an unauthorized air attack far inside Mongolian territorial lines on the 27th, and an ensuing Russian counter-offensive between July 1st and 11th that forced Japanese troops to retreat from the border area on the Halha River (separating Manchuria and Mongolia) with heavy losses.³²

The extent to which these developments coloured the Army central authorities' initial reaction to the Tientsin crisis cannot be precisely determined. But the worsening situation on the Manchurian-Mongolian border was no doubt one of the factors prompting the General Staff to advocate restraint in military activities elsewhere. Together with the War Ministry, the General Staff had already ordered the North China Army -- which was asked by the Kwantung Army to despatch a division to Manchuria to strengthen its forces -- not to invade the Concessions at Tientsin at the end of May. In their joint-policy directive of 17 June, the General Staff and War Ministry had backed a local compromise settlement at Tientsin, with the British being asked to do not much more than negotiate in good faith.³³ As with its

navy counterpart, therefore, the Army High Command seemed desirous of resolving this incident locally rather than risk military confrontation with the West by exploiting the situation for other purposes.

The situation, however, was extremely fluid. Any uncompromising stance by a field army against countries such as Britain or France was likely to be strongly supported by the press and ultranationalist groups anxious to mobilize popular anti-British sentiment for the purpose of either sabotaging the negotiations or bringing down the government. The Cabinet would have to resign at any time the Army High Command decided that the War Minister, who had to be an acting general, should resign and then refused to recommend a successor. Seemingly demoralized and uncertain of its future course, the Army High Command -- i.e. the War Ministry and the General Staff -- was not in a good position to withstand the build-up of such pressure, should it occur.

In an attempt to forestall such a development, Foreign Minister Arita solicited Imperial intervention. On 22 June, before his plan for a negotiated solution to the Tientsin incident had been submitted for Cabinet or even Five Ministers Conference approval, Arita successfully requested Emperor Hirohito's support for the idea of limited negotiations, as well as his co-operation in "using any method possible to appraise military authorities that we do

not intend to use this Incident as an opportunity to force a solution to the problems raised by British interests in Central and South China."³⁴

This was an act of considerable political daring. By getting the Emperor to intervene at this early stage in the policy-making process, the Foreign Minister was utilizing the supreme power of the monarch to prevent the War Minister from ever disagreeing with a policy of which he was probably not yet even aware. As a result of this machination, Arita hoped to promote his compromise plan for Tientsin as well as drive a wedge between the Army and extra-governmental organizations in an effort to prevent them collectively from being able to turn popular anti-British feeling into meaningful political pressure. Amounting to manipulation of the Emperor, this was one of the few means by which an unpopular group of officials -- the Anglo-American faction -- could impose an unattractive policy -- accommodation with the British at Tientsin -- without matters getting entirely out of hand.

The North China Army Intervenes

At first the Foreign Minister's strategy seemed to be succeeding. On 23 June, the Cabinet agreed formally that talks on Tientsin would occur in Tokyo between the Foreign Minister and the British Ambassador, assisted by officials

from Tientsin, as suggested by Ambassador Craigie and that, as Craigie proposed, "the basis of negotiations" would not be "fixed beforehand."³⁵ The following day, the Foreign Minister's position seemed to be strengthened when the Army Chief of Staff said that he was content to "leave negotiations on strengthening the Anti-Comintern Pact (with Germany) in the hands of Foreign Minister Arita."³⁶ Arita had indicated that the strengthening of the Anti-Comintern Pact was "no longer an urgent priority" and that diplomatic efforts on this front "should be postponed until Japan has come to an agreement with the British over Tientsin."³⁷ The General Staff chief's remark can therefore be interpreted as an oblique endorsement of Arita's approach of dealing with the Tientsin crisis before confronting these larger issues.

The North China Army, however, was vehemently opposed to such an approach. In a 25 June communiqué to the General Staff, the North China Army Command said that, while "not opposed in principle to talks in Tokyo," it believed that "an agreement concerning the specific conditions under which the blockade could be lifted should be negotiated on the spot."³⁸ This statement was a repudiation of the War Ministry-General Staff position of 17 June that the blockade could be lifted after Britain had agreed to hand over the suspects and simply make a general declaration of intent to negotiate other measures in good faith sometime in the

future. It was also an indication that, contrary to the views of the central military authorities, the North China Army was not prepared to regard its demands for the abolition of Chinese National currency and the circulation of Federal Reserve Bank notes within the Concessions, as well as the transfer of deposits and reserves of Chinese banks within these areas to Japanese-controlled locations, as anything less than "economic measures necessary for the preservation of peace and the self-preservation of Japanese troops" (chian iji narabini gun seizonjo hitsuyo gendo no keizai sochi) -- i.e. security issues that could not be compromised.

The North China Army said that it might be willing to acquiesce in the idea of negotiations over Tientsin taking place in Tokyo. But it said that this would depend upon an undertaking by both parties to negotiate a general agreement-in-principle about British activities throughout China before detailed talks on Tientsin could commence. This prior agreement would oblige Britain to "recognize the new situation in Asia," refrain from interfering at Tientsin or elsewhere with any measures the Japanese military might take to "promote public order" and the "safety of occupying troops," follow a policy of "strict neutrality within the Concessions" -- i.e. that municipal councils should be in effect strongly pro-Japanese in policy and composition --

and undertake to replace existing "pro-Chiang (Kai-shek)" China policies with alternatives "more responsive" to Japan.³⁹

Although some of the North China Army's recommendations were diffuse, the role it envisaged for the Tokyo conference differed markedly from the Foreign Minister's proposal. In contrast to Arita's strategy of using the discussions merely as a gauge of future British intentions in China, the North China Army -- by insisting upon a prior agreement-in-principle -- wanted to force the British to make concessions in China as a precondition rather than a consequence of the holding of such talks. A preliminary agreement would also commit Foreign Minister Arita to uphold a set of well-publicized criteria in subsequent bargaining over the lifting of the blockade which the press and ultranationalist groups could use as a justification for opposing virtually any proposed Japanese concession. In other words, this was a device that offered an opportunity for those inside and outside the government who wished for reasons of their own to oppose any sort of compromise formula.

At the heart of this proposal was a quid pro quo: the North China Army would go along with negotiations in Tokyo if the Japanese government agreed that the lifting of the blockade at Tientsin -- and the conditions for bringing it about -- were unequivocally operational matters. But this

meant that the Emperor would be constitutionally obliged as Commander-in-Chief of the Armed Forces to act upon the advice proffered by his military rather than civilian aides. This would seriously undermine the value of his prior backing for Arita's compromise approach, thereby effectively ensuring that negotiators in Tokyo would not be allowed the leeway Foreign Minister Arita and Ambassador Craigie had wanted for a compromise solution to be worked out. In this way, by insisting that there were overriding security implications with the safety of Japanese troops at stake, a Japanese field army -- as had happened in the past -- could force a monarch with unlimited constitutional powers over his government and armed forces into becoming an unwilling accomplice of a policy formulated by a group of military officials who were supposedly obliged to carry out the Imperial Will.

The Changing Scope of the Negotiations

The North China Army submitted its proposal to Tokyo at a time when the Foreign Minister was developing an alternative plan that was markedly non-committal. Arita had told Craigie that, if Britain agreed "not to fix the basis of negotiations beforehand," he would try to limit the talks to problems arising directly out of Tientsin. In other words, he would try as best he could to delink negotiations

from larger issues such as Britain's extra-territorial privileges in China, the New Order in East Asia, or a change in policies towards the Kuomintang government. But whether he would be able to ensure that there would not be a prior agreement-in-principle, or that discussion would definitely be limited to Tientsin rather than include the issue of British China policy as a whole, remained unclear.

In an effort to keep the British interested in the idea of a Tokyo conference, Arita informed Craigie that the "commencement of negotiations" would probably result in a "moderation of" discriminatory "measures" against British nationals at Tientsin. But the Foreign Minister also told the British Ambassador that the blockade at Tientsin had been imposed in response to "military need."⁴⁰ If the blockade had been imposed in response to "military need," its lifting could only take place when the North China Army had decided that such "needs" had been met. The North China Army had already made clear that the satisfaction of its "military needs" depended upon Britain's willingness to meet all its political and economic demands arising out of the Tientsin situation. But if there was no choice but for Britain to capitulate to all the North China Army demands, the likelihood either that an agreement could be forged, or that it could bring about what for the British was their

primary objective -- i.e. the ending of the blockade -- was extremely slim.

What Foreign Minister Arita was really offering Britain was little more than a declaration of personal intent. In contrast to the War Ministry-General Staff document of 17 June, Arita made no reference to a possible lifting of the blockade before negotiations over Tientsin got underway. He also tempered his declaration of intent by warning Craigie that his hand was limited by the "general belief in my country that the present China affair would have been brought to an end long before this but for the assistance given by your country to Chiang Kai-shek" and "the unanimous desire of my country that... your country will bring herself to abandon in due course its policy of assisting Chiang Kai-shek and to adjust it so as to be in line with our policy in China."⁴¹

The warning was rather vague. By making general references to "the desire of my country" that Britain "in due course" would end its pro-Chiang proclivities and better "adjust" its China policy to "bring it in line" with that of Japan, Arita seemed to be indicating that fundamental changes in British policy towards China might not be part of the price Britain would have to pay for a solution of this particular crisis. But the statement also suggested that the Foreign Minister did not regard talks on Tientsin simply as

a conflict-avoidance mechanism with the West, but an indicator of subsequent British co-operation with Japan's wider aims in China, if not Asia as a whole.⁴² In addition, Arita was implying that, while not personally inclined to insist upon British compliance with these wider political aims as part of a settlement over Tientsin, the extent to which such an agenda would be inserted into the talks might not be determined by him or even his Cabinet colleagues, but a more general political process in which public "opinion" -- i.e. organized extra-governmental pressure groups with a popular following -- might have an important role to play.

This was not good news for Ambassador Craigie. In line with his belief that improvements in Anglo-Japanese relations could be generated simply by solving various bilateral "points of difficulty," the British envoy had hoped to use Arita's formula for negotiations to end the Tientsin blockade in a way that would allow the British to maintain full authority over its concessions, while leaving the rest of its China policy intact. But loath to admit that Japanese thinking was going in an opposite direction, the Ambassador interpreted Arita's statement simply as an indication that "a stricter conception of neutrality will be necessary if a settlement is to be reached."⁴³ As a result, British Prime Minister Neville Chamberlain assured Parliament on 27 June that, just by agreeing to further

restrictions upon the rights of Chinese under British authority at Tientsin -- the real meaning of Craigie's "stricter conception of neutrality" --, Britain could negotiate in Tokyo a "local" settlement that would end the blockade and the insulting treatment of Britishers in Tientsin, while leaving British China policy intact and its authority over the concessions unchanged.⁴⁴

Events in Japan were soon to highlight the dubiousness of this assumption. On 27 June, there was a Cabinet meeting in Tokyo that decided to notify the public of the government's decision to hold talks with the British.⁴⁵ According to a Foreign Ministry press release issued that day, Japan had "accepted Britain's request for negotiations in Tokyo on Tientsin... in an attempt to solve all problems arising out of the crisis."⁴⁶ A 28 June Foreign Ministry communiqué stated that the Tientsin Incident "no longer just concerned Britain's willingness to hand over the (four) suspected assassins" (Tenshin Eikoku sokai mondai no hattan to natta ansatsu hannin hikiwatashi mondai o koe...), but the need for Britain and Japan to come to agreement upon "all political and economic problems" arising out of the crisis (sei-ji oyobi keizai-jo no kakushu mondai ni tsuki Eikoku seifu no setsujitsu naru koryo o motomeru koto to naru). In addition, the communiqué stated, "Japan hoped that the outcome of the Tientsin discussions would serve as a

basis for a fruitful exchange of views with reference to various other problems of mutual concern as well" (Hon mondai no taigi o keiki toshite, kore ga kongen o nasu shomondai ni tsuite mo yuko naru kien no kokan no okonowareru koto ga kitai serarete oru).⁴⁷

Using the Tientsin discussions as a "basis" for an "exchange of views" on "other problems" with Britain was less far-reaching than the North China Army demand of 25 June for a preliminary agreement setting out the principles of a revised British policy towards the whole of China. But it was not entirely different. Tokyo had become vociferous from at least November 1938 in its desire to challenge the validity of interwar covenants such as the Nine Power Treaty upon which official British policy towards China was based.⁴⁸ It had also received on 14 January 1939, through Craigie, a statement from Whitehall about such treaties "not being eternal."⁴⁹ Trying to limit the talks, as the Tokyo Nichi Nichi pointed out, was, at the very least, likely to be regarded as a cynical stratagem designed "to get out of the difficult position to which.... (Britain) has been reduced at Tientsin." If that was "the main motive behind the move to negotiate a settlement of the Tientsin issue," the newspaper admonished, "the negotiations are bound to end in failure."⁵⁰

The British Embassy could not but have been aware that there would be considerable political pressure to include a wider agenda in the adjudication of any dispute with Britain. The British must also have known that the negotiations on Tientsin would be used by those interested in pursuing such an agenda to pressure Britain to comply with wider goals. With the government unpopular and the safety of some of its officials possibly at risk, there were, in addition, indications that Arita and his "pro-British" colleagues -- many of whom in any event believed that Britain's policy in China, if not now at least some time in the near future, would have to change -- might not feel able or even inclined to insist that the talks be immunized from this wider agenda. But London remained unappraised of this possibility, and consequently unaware that there might ultimately be a higher price to pay for an improvement in relations with Japan than a settlement at Tientsin aimed simply at eradicating Chinese rights.

This resulted in a curious situation. As British politicians were seeking to assure their public that the scope of the negotiations would be limited, events in Japan suggested that the Japanese were trying to do exactly the opposite. Between 28 and 30 June, Japan's main-line press was carrying leaders and editorials suggesting that a solution to the Tientsin crisis was possible only if Britain

stopped treating China "like its colony," acknowledged the New Order in East Asia and ended all links with Chiang Kai-shek. Meanwhile, the Japanese public, which was beginning to attribute ballooning Japanese casualties in China to Britain's support for the Kuomintang, seemed to be generally convinced that anything less than a British undertaking to change its "pro-Chiang" policies towards China as a whole would be an inglorious betrayal of the national interest.⁵¹ As a result, there seemed to be increasing popular support for the view that Japan should not be holding talks with the British over establishing a modus vivendi at Tientsin at all, but searching for ways to exclude them from China entirely.⁵²

The Situation at the End of June

Japan's acceptance of Ambassador Craigie's proposal for a conference in Tokyo over Tientsin raised more questions than it answered. The British wanted to convene the talks in order to end the blockade and the anti-British campaign at Tientsin. But they had been informed by both the Japanese Foreign and Deputy Foreign Minister that these were operational decisions over which Tokyo could not impose its will.⁵³ Japan and Britain had agreed that the British should be "neutral" at Tientsin. But neutrality was a legal concept that could only be invoked if there was a commonly agreed-

upon "state of war" between two countries that neither Japanese nor British politicians had been prepared to declare or acknowledge. Ambassador Craigie suggested that the British Concession at Tientsin could effectively be "neutral" if Japan agreed that concession authorities had the right to refrain from acts "calculated to give aid and comfort to an occupying Power as against its opponents." But Japanese politicians were being goaded by their public and press into saying that "neutrality" was only attainable if Britain gave as much "aid and comfort" to occupying troops at Tientsin as Japan demanded.⁵⁴

Officials in London were loath to admit that "public opinion in Japan" really existed. Wedded to the racially preconceived but empirically unproven notion that "Japanese enthusiasm or hate" had for "a long period of years" simply been "switched on or off like a tap," the Foreign Office Far Eastern Department believed that the latest displays represented no more than a reflection of "the prompt obedience one expects of the Japanese people" and the "usual native hysteria" that manifests itself in the process.⁵⁵ But with the government unpopular and army and civilian central authorities divided over Tientsin as well as other crucial foreign policy matters, there was a power vacuum at the centre of Japanese politics which were becoming sufficiently destabilized to be more-than-usually vulnerable to the

activities of extra-governmental groups. Backed by a disgruntled public, while receiving support from junior military officers, lower officials in the War Ministry, ideologues in the Foreign, Home and Justice Ministries, and a nationalistic press, these elements had already made considerable progress in ensuring that the Tokyo negotiations with Britain would encompass a far larger agenda than simply the problems arising out of Tientsin.⁵⁶

Ambassador Craigie was by no means unaware of this trend. Highlighting "the cumulative effect of nearly two years of various anti-British propaganda" in "weld(ing) this nation into a single unit," he warned Whitehall that "we are at present witnessing" an "even more unpleasant manifestation" of "the growing menace of (a) bitterly hostile public opinion" than "anything I have witnessed."⁵⁷ But the Ambassador never suggested that the movement might be sufficient to overwhelm the efforts of "moderate" politicians to broker a compromise settlement. As a result, the British government seemed unaware of the possibility that Japan's room for diplomatic manoeuvre was in fact being rapidly curtailed. The combination of stiffening Army resolve against a compromise, inflamed Anglophobic public sentiment and the growing efforts of well-organized ultranationalist groups to channel such sentiment into a campaign that threatened to put the Tokyo conference, the

physical safety of its major proponents and the strategy of the "Anglo-American faction" at risk were already seriously undermining the possibility that a conference in Tokyo could bring about a negotiated solution to the conflict.⁵⁸

Chapter Six: The Anti-British Movement in Japan

By the beginning of July 1939, it was becoming apparent that a conference in Tokyo would not be convened simply to ~~simply to~~ negotiate a settlement limited to issues arising out of Tientsin. As we have seen in the previous chapter, the 26 June memorandum of the North China Army was a key action in preventing such an outcome. But this process, which had its roots in a longer-standing Japanese desire to alter the inter-war treaty system that was meant to govern international relations in Asia, was strengthened immeasurably by the outpouring of popular anti-British sentiment from the beginning of July.

Japanese distrust of Britain in one form or another can perhaps be traced back as far as 1918.¹ But popular anti-British feeling became particularly prominent as Japan expanded into Asia, especially from 1937 onwards. The government began to finger Britain as one of the main obstacles supposedly standing in the path of a quick and efficacious resolution of the "China Incident," while ultra-nationalist groups deliberately stirred up anti-British sentiment during 1938-9 as a way of pressuring the Japanese government to fulfil their program of concluding a military alliance with Germany.² It was in the summer of 1939, however, that the anti-British movement witnessed its most dramatic increase in size and political significance.

Largely the consequence of changes in administrative regulations at the beginning of July loosening the restrictions upon demonstrations and other organized forms of popular expression, this development was to be of crucial importance in crystallizing Japan's diplomatic position with reference to solving the crisis at Tientsin.

The Anti-British Movement and Ultrationalism

From the beginning of the 1930's, ultrationalist organizations had been a prominent feature of the Japanese political landscape. Consisting of disaffected younger military officers sometimes backed by ultra-rightist civilian cabals containing members inside and outside the government, these groups had been responsible for the assassination of prime ministers, senior Cabinet officials, prominent military officers, industrialists and members of the Imperial Household whom they felt were betraying the national interest and impeding the process of a "Showa Restoration,"³ a term that was meant to denote a cleansing of politics -- especially of "corrupt" foreign influences -- by promoting the notion of a nation-state under an Imperial institution that was transcendental and absolute.

With the expansion of the Sino-Japanese war from the summer of 1937, the activities and scope of right-wing organizations diversified. Instead of being involved simply

in assassinations and other conspiratorial activities, a plethora of groups established themselves throughout the country as political pressure groups with a clear programme: to protest what the Japanese Home Ministry described as the "the undisguised attempts of Britain, France and the Soviet Union" to prop up the Chiang Kai-shek regime and thwart Japan's efforts to expand peacefully and bring a peaceful end to the "China Incident."⁴ By the end of 1938, these organizations had been active in organizing demonstrations in favour of strengthening the Anti-Comintern Pact with Germany and opposing talks with Britain, which was rapidly taking the position of the Soviet Union in the minds of the Japanese public as the main barrier preventing the successful development of a New Order in East Asia.

This did not mean that such organizations were not strongly supportive of -- or did not have direct links with -- the earlier military-dominated groups. But the associations that sprang up in the wake of the expansion of the Sino-Japanese war seemed to be broader-based and to derive more of their strength from an organized popular following than their predecessors. Backed often by a cross-section of civilian, military and reservist associations, these groups began to organize demonstrations, letter-writing campaigns, mass-meetings, rallies, posters and a variety of other highly publicized events directed at

changing policy rather than simply conspiring to eliminate policymakers whom they did not like. Generating on the one hand the beginnings of a sustained, grass-roots movement while retaining covert links with the Army, the military police and the Home Ministry on the other, these organizations were well-positioned to convert latent anti-British feeling into a lobbying campaign directed against the policies as well as the physical safety of those suspected of wishing to come to an accommodation with Britain.

It did not take long for ultranationalists to make an impact over Tientsin. By 26 June 1939, barely ten days after the imposition of the blockade of the British and French Concessions, groups such as the Nihon Kakushinto (Party for the Renovation of Japan), the Dai Nippon Seinento (Greater Japanese Youth Association), the Aikoku Seisenbu (Group for Patriotic War) and other rightist associations had convened meetings throughout the country, published posters and engaged in letter-writing campaigns to bolster the position of the North China Army. Expressing strong support for the "anti-terrorist stance" of Japanese military authorities at Tientsin as well as for the North China Army's demand for an end to Third Country support of the Kuomintang, these organizations urged Japan to "take advantage of the Tientsin Incident to eradicate concession problems," grasp "the key

to the solution of the China Incident" by insisting upon "the reversion of the concessions to China" and "resolutely oppose any compromise" which -- thanks to the "blind policies in China of Britain, France and the United States" -- would be "makeshift" and "short-lived."⁵

These activities immediately rang alarm-bells within the Japanese Cabinet. On 29 June, Foreign Minister Arita informed the Prime Minister that "a successful resolution of Japan's foreign policy problems (the Tientsin incident and the impasse over relations with Germany) in Tokyo is going to be extremely difficult. Even if things go well, a solution may not be within our grasp; if they go badly, the going will get very tough indeed. My pessimism stems from the enormous damage that will occur as a result of ultrarightist meddling in the various facets of this crisis" (Tokyo de yaru mondai wa kekkyoku hijoni muzukashi. Yoku ittatte yoku wa iwarenaishi, aku ikeba nao warui... tada fuhitsuyo ni uyokuha ga ironna mondai ni yokai suru koto dake wa hijoni komaru).⁶ Impending changes in legal and administrative regulations governing the formation and activities of such groups were to justify Arita's fears.

The Home Ministry Loosens Restrictions on Popular Protest

Although popular anti-British feeling had for some time been on the rise, its potential political impact had

nevertheless been impeded by a host of laws and administrative regulations stretching back at least to the Peace Preservation Laws of 1925 and 1928, which imposed strict limitations on the size and content of public meetings and other expressions of popular sentiment.⁷ According to Home Ministry regulations issued in 1937 and 1938, all public meetings and other activities that went beyond an enthusiastic affirmation of support for government policy, or did not receive the express approval of the governing authorities, were banned. This included street demonstrations presenting "demands, petitions or appeals" -- especially for "vigorous action abroad" (taigaiko sono hoka no tame ni gaito koshin o keikaku suru ga gotoki wa izure no bawai mo yonin sezaruru mono tosu) -- and public meetings "stirring up fears and antagonistic feelings towards Britain, the United States, France, the Soviet Union and other foreign countries" (Ei-Bei-Futsu-So nado no kanjo o kotosara ni chohatsu shi iji tekитай no osore aru ga gotoki genron wa issai kore o sakuru koto).⁸

On 1 July 1939, however, the Home Ministry's Police Department issued a new set of regulations concerning public movements "against Third Countries -- especially England -- that are obstructing the successful accomplishment of Japan's Holy War (in China)" (Seisen Kantetsu o Bogai Suru Daisankoku (Nakanzuku Eikoku) No Haigeki Undo). According to

the new rules, anti-British "speeches and public meetings" (even in central Tokyo) were sanctioned, as were anti-British "popular movements under the leadership of approved organizations" (taishu undo, tosei aru dantaiteki kodo...) and the "distribution of appropriately edited (anti-British) writings" (bunsho naiyo o tekito ni shido shi sono bunpu hoho ni oite wa... kyoyo suru koto). Furthermore, there would be "a loosening of regulations" (aru teido no enwa o nasu koto) concerning "signboards criticizing pro-British groups" (shin-Eiha haigeki tatekamban).⁹

This was followed by a set of press guidelines issued by the Cabinet Information Office on 3 July easing restrictions on "the publication of newspaper articles dealing with Britain's pro-Chiang activities in China." These guidelines encouraged the press to "arouse public opinion firmly against Britain's attempts to assist Chiang kai-shek" (Eikoku no enjo kodo ni taishite wa danko kore o haigeki suru kokumin no ketsui o kyoko ni shite... yoron o kanki kakuritsu ni tsutomuru koto) and "emphasize that Britain's continual attempts to aid Chiang will automatically result in the elimination of British interests in China." The guidelines also urged the media to "exploit anti-British movements everywhere" (kakuchi no hai-Ei undo no jokyo ni oite wa kore o sekkyokuteki ni toriatsukai) by "impressing the British with the voice of the people to the

greatest possible extent" (dekiuru kagiri Eikokugawa ni 'kokumin no koe' o hanei seshimuru tsutomuru koto).¹⁰

The government's decision to loosen legal restraints upon public assembly came at a time during which there was rising concern that, left to their own devices, Japanese negotiators would be coaxed by the British into making unacceptable concessions. According to the 6 July edition of the newspaper, Kokumin: "What we are concerned about are Japan's clumsy diplomacy and lack of national determination. War is won, but diplomacy is lost, is often mentioned by the people. Japan's traditional diplomacy has been a marked failure since the Meiji Restoration, while its military results have proved victorious." Whereas "British diplomatic authorities, sly and cunning as they are, may try to limit the parley to the Tientsin Incident as a local issue," Japan needed to "break the circle of hostility Britain is drawing around us" by -- in the words of a government publication issued at the time -- insisting that "the authorities of the British Concession undergo a 180 degree change of policy," "recognize the new situation in China" and "cooperate in building a New Order in East Asia."¹¹

Underlying efforts to foment Anglophobic sentiment was more than a desire to avoid another diplomatic climb-down, however. In a memorandum sent on 4 July to military police units throughout Japan, the Headquarters of the Military

Police expressed concern that "with the prolongation of the China Incident, popular enthusiasm for the war is beginning to wane" (jihen choki ni sensuru ni tomonai kokumin no aida ni kentai kanjo nashi jihen ni taisuru kanjosei o shosei(?) shi). The memorandum went on to say that "it is going to be difficult to end hostilities in China successfully" (senso suiko o konnan narashimuru) "unless we exploit issues that would arouse the public and keep its support for the war alive" (kokumin ni taisuru tekito naru shigeki o atae tsune ni kore o bentatsu kincho seshimuru). "In view of the paramount importance of sustaining strong public support for a no-compromise policy with Britain," the document concluded, "we must take a leading role in fostering popular (anti-British) movements" (Seifu no tai-Ei kyoko seisaku suiko no tame ni wa.... kokumin o shite honmondai ni kanshi kyoko naru shinnen o hochi seshimuru.... kyojin naru kokumin undo tarashimuru gotoku shido suru koto hitsuyo nari).¹²

The loosening of constraints upon the expression of anti-British sentiment did not mean that the government wanted to abandon controls entirely. In its revised regulations of 1 July, the Home Ministry was careful to specify that anti-British demonstrations could only go ahead if they were organized by, or received permission from, "government-controlled groups" (tosei aru dantai). The regulations designated these to be local and national

political parties, veterans' associations, bureaucratic and educational organizations, business groups, student unions and youth leagues with links to "the Home Ministry, Army or Navy authorities, the Foreign Ministry, Tokyo municipal government or provincial governments" (Naimusho, rikukai gun tokyoku, gaimusho, Tokyo-fu, shi to no kinmitsu naru renraku).¹³

As admitted by Prime Minister Hiranuma in a 6 July audience with the Emperor, however, the Home Ministry's decision to exert control over anti-British demonstrations through government-approved groups was an indication that the government could no longer completely contain the tide of popular anti-British discontent.¹⁴ Pitted against a volatile public that was being manipulated by ultranationalist groups and surreptitiously funded, according to the Home Minister, by the military was a demoralized administration irreconcilably divided over the entire question of Japan's relations with the West.¹⁵ In an effort to protect itself against a rising tide of popular discontent, the Hiranuma Cabinet decided to abandon the idea of a complete clamp-down on all popular demonstrations in favour of a more discriminatory policy that permitted a gigantic expansion of approved forms of anti-British activity so long as the organizations directing it remained subject to some form of indirect governmental guidance.¹⁶

In loosening controls, the Home Ministry was attempting to prevent a further radicalization of anti-government feeling. "If the anti-British movement is mishandled," Home Minister Kido Koichi warned, "concern about its revolutionary potential is likely to grow." Obsessed with the danger of insurrection from below, the Home Minister probably overestimated the revolutionary potential of this movement. But the Home Minister expressed the concerns of many of his colleagues in fearing that, if the leadership of anti-British demonstrations passed completely into the hands of out-and-out ultranationalist fanatics, the chances for the introduction of far-reaching demands like an immediate war with England -- as well as attacks on all those suspected of having "pro-British" sympathies -- would increase. Since some extreme nationalists equated pro-British feeling with a reluctance to go along unquestioningly with Army demands for a military alliance with Germany, the list of suspected traitorous "Anglophiles" within high government circles could include the Emperor, court officials, senior statesmen, the Prime Minister, the Foreign Minister, the Navy Minister and Vice-Minister, and the Home Minister, among others.¹⁷

In such a highly charged environment, the safety as well as the policies espoused by many of Japan's most prominent political leaders were at risk. To preserve the

former, the government agreed to compromise the latter by permitting the holding of massive anti-British popular demonstrations. Central to these protests was opposition to British policy in China and any tendency by Japanese politicians to make concessions in the upcoming Tokyo discussions.

The Growth of the Anti-British Movement

The government's decision to ease crowd-control regulations resulted in a permeation of anti-British feeling throughout Japan, with dramatic transformations in patterns of popular anti-British activity. Before July 1939, demonstrations against Britain were almost invariably small-scale, sporadic affairs usually ranging between 300 and 3,000 people, with a maximum of no more than 6,000. But after 7 July, the second anniversary of the Marco Polo Bridge Incident that triggered the second phase of Japan's invasion of China, there was an explosion throughout the country of public meetings, street demonstrations, petitions, posters and other forms of popular anti-British protest. Monster meetings were held in Tokyo, Osaka and Kobe of 30,000, 80,000 and 100,000. In July alone, over a million people were estimated to have taken part in public anti-British activities of one form or another.¹⁸

These activities helped bring about a distinct hardening of attitudes against the British. By the middle of July, even the more moderate public demands towards the British -- such as the following statement issued by ten influential Tokyo newspapers -- called for "a complete change of attitude by Britain in East Asia" and "a willingness to cooperate with the construction of the New Order."¹⁹ Other groups, not content with simply advocating a more compliant British policy in China, directed their criticism at Britain's continuing presence in Asia as an imperial power. Common demands were for "all concessions be returned to China" and "all British interests to be expelled from East Asia." A Niigata group even argued that "the construction of a New Order in East Asia is impossible unless Britain is expelled from the region."²⁰

In advocating the extinction of concessions and other British interests in China, anti-British activists were arguing for a much more radical solution to the Tientsin crisis than was envisioned by those involved in the negotiations. In the words of a naval reservist captain's letter to Foreign Minister Arita, "the ending of the China Incident will depend upon the skill with which the government handles the concessions problem. They must go to the heart of the issue by being unflinching in their demands for the reversion of all concessions to China."²¹ A school

teacher from Wakayama put it more directly by saying that "the Tientsin Incident must be exploited to throw Britain out of China and the whole of East Asia."²²

Coincident with this trend was a mounting crescendo of criticism against the idea of holding a conference in Tokyo about the Tientsin crisis at all. The 3 July press guidelines issued by the Cabinet Information Office specifically enjoined the media to "refrain from printing articles saying that the Tokyo Conference will lead to Japan making compromises and bargains with the British."²³ But this did not prevent the Japanese public from lambasting the proposed talks as "irrefutable proof that the government is not serious in its efforts to solve the problem," and "an indication that the government has already given in to the British." Some protesters argued that the simple decision to negotiate constituted "evidence of a British plot to manipulate Anglophile groups within the government"²⁴ and "proof" of "Britain's unceasing obstruction of the Imperial Army's historical mission in China" that "put it on a par with the Soviet Union as one of Japan's two worst enemies."²⁵

Contrary to the government's legislative efforts to keep the movement focused on policy, there was mounting criticism of Japanese diplomats and supposedly "pro-British" politicians. The former were castigated in the press for

losing wars at the conference table that the armed forces had won on the field; the latter were targeted by ultranationalist organizations for being obstacles to the conclusion of a just peace.²⁶ According to the Association for the Study of the Imperial Way (Nippon Shugi Kenkyujo), for instance, "so long as the pro-British group within the government remains on top, we doubt that the problems (at Tientsin) will ever be thoroughly resolved" (Shin-Ei teki seiryoku ga tsuyoi kara tetteiteki kaiketsu wa gimon de aru). The League for the Prosecution of the Holy War (Seisen Kantetsu Domei) went even further by stating that "we ought to deal with the concession problem in a way that would completely annihilate pro-British elements in Japan, but because this government has failed to conclude a military alliance with Germany, it has lost both the trust of the people and our confidence in its ability to bring about a satisfactory solution" to Japan's foreign policy problems.²⁷

Of particular importance to ultranationalists was the transformation of popular opposition to the Tokyo talks with Britain into broad support for a military alliance with Germany. According to their line of thinking, the proponents of the status quo -- identified variously as elder statesmen, government ministers, privy councillors, zaibatsu chiefs and Navy "renegades" such as Navy Minister Yonai Mitsumasa and Deputy Minister Yamamoto Isoroku -- were

betraying the national interest and responsible for the prolongation of Sino-Japanese hostilities.²⁸ Ultrationalists believed that the most heinous manifestations of "status-quoism" were support for a compromise settlement with Britain over Tientsin and opposition to a military pact with Germany, and feared that the conclusion of a settlement with Britain over Tientsin would make the prospects of an alliance with Germany more unlikely.

The Character of the Anti-British Movement

One of the government's objectives in issuing its regulations easing public demonstrations at the beginning of July was to curtail the ability of ultrationalists either to target government officials for assassination, or to exploit anti-British sentiment for political ends other than simply applying pressure on Britain. Things clearly did not turn out entirely as the government had hoped. Active and growing in size, ultrationalist groups made considerable headway in utilizing anti-British sentiment to stigmatize the "Anglo-American faction" as disloyal,²⁹ as well as revive the War Minister's flagging efforts to conclude a military agreement with Germany that the rest of the government had given up since the beginning of June as a realistic policy priority.

As a result, ad hominem smear campaigns and the use of violence played an important part in stimulating anti-British sentiment. On 14 July, for instance, the League of the Prosecution of the Holy War (Seisen Kantetsu Domei) delivered Navy Deputy Minister Yamamoto Isoroku a letter demanding his resignation and accusing him and Navy Minister Yonai Mitsumasa of being in "the forefront of pro-British forces," "opposing the Holy War," "obstructing the New Order," "blocking the Imperial Way" and "colluding with imperial advisors and zaibatsu" to increase their profits by selling the country down the river.³⁰ On 6 and 15 July, two plotters were arrested for attempting to assassinate the Navy Deputy Minister, Mitsui executive Ikeda Seihin and Imperial Secretary and Keeper of the Privy Seal, Yuasa Kurahei, the last being accused by his would-be assassin of "blocking the Emperor's rule," "favouring a pacifism destructive of the state," "fawningly following after Britain," "obstructing Army strategy" and various other "crimes."³¹

These incidents were not isolated events attributable simply to the zeal or instability of character on the part of individual culprits. In a similar event occurring nine days later, another plotter was arrested for attempting to blow up court official Matsudaira Tsuneo in his car and planning an attack on Ambassador Craigie in front of the

British Embassy.³² Meanwhile, local authorities in Wakayama and Ishikawa uncovered plots to assassinate other "pro-British" suspects, including the Home Minister and Chief of the General Staff, who were accused of "unnecessarily prolonging the China Incident."³³

As can be seen from these activities, ultranationalists were successful in ensuring that the anti-British movement became more radical and more prone to violence than the government would have wished. Nevertheless, -- and in accordance with government intentions -- the movement as a whole generally remained under the leadership of "approved" organizations such as political parties, prefectural and local governments, teachers, newspaper publishers, business groups and reservist associations.³⁴ Subject to greater government control than their ultranationalist counterparts, these groups were somewhat less interested in indulging in verbal or physical attacks on suspected "pro-British" sympathizers, or concerned with manipulating opposition to the Tokyo talks simply to build up pressure for a military pact with Germany. To this extent, the government had some success in ensuring that the movement did not foment a diatribe against Japanese foreign policy in general, or an ideological witch-hunt bent on "clarifying the national polity" (kokutai meicho) or "national renovation" (kokka no

kakushin), or provide the backdrop for a successful effort to overthrow the government by force.³⁵

The price that had to be paid for this limited victory, however, was a huge increase in the size of anti-British demonstrations, a permeation of anti-British feeling throughout the country and a radicalization of the anti-British agenda. The extent to which the movement was supported by elements within the government and military is debatable. But with anti-British organizations gaining legal legitimacy and expanding their popular following so rapidly, it became more difficult for politicians to ignore their demands. As a result, a highly volatile political situation was being created in which -- assuming the British did not completely capitulate to all Japanese demands over Tientsin -- Japanese negotiators had less to lose by not coming to agreement at all than by signing a document that could be interpreted by the Japanese public as a "sell-out" of the national interest.

Government Reaction to the Anti-British Campaign

Throughout early-July, the government responded to the burgeoning anti-British movement with a growing sense of paralysis, impotence and alarm. Worried about the huge rallies and ultra-rightist plots to attack "pro-British" officials, the Home Ministry's Police Department Chief

(Keibokyokucho) admitted privately that "the government has lost control of the situation."³⁶ The Home Minister accused the Army of funding many of the anti-British protests, which he believed were "being organized and led by the military police."³⁷ The War Minister subsequently admitted that the movement had gotten out of hand and needed to be suppressed.³⁸ But many "Anglo-American faction" officials believed that the Army was responsible for the instigation of anti-British sentiment, so as "to try to impede," in the words of Imperial Aide-de-Camp, General Hata Shunroku, "the start of Anglo-Japanese talks in Tokyo and conclude an anti-communist alliance with Germany and Italy."³⁹ In Home Minister Kido Koichi's opinion, the government was "in an impossible situation" and incapable of formulating a coordinated response.⁴⁰

As these and other officials grew alarmed at the size and activities of the anti-British movement, intra-departmental tensions between "pro-German" and "pro-British" factions reached near-breaking point. An agreement-in-principle had been reached in the 23 June Cabinet meeting to give priority to the search for a solution to the Tientsin Incident. But the War Minister refused to specify Army requirements for a settlement and continued to press for a military pact with Germany, an objective, he misleadingly informed other military officials, that was supported by

Foreign Minister Arita. Possibly linked to these erratic actions were the disastrous Kwantung Army setbacks in northern Manchuria in early July. Facing unexpected defeat at the hands of the Russians on the Chinese-Mongolian border, the Army was facing a situation in which the transformation of the Anti-Comintern Pact into a military alliance between Japan and Germany could be regarded as a pre-requisite for national survival. Any opportunity presented by the activities of the anti-British movement to further this objective could not consequently be disregarded.

For the "Anglo-American faction," these activities constituted a blatant disregard of the Imperial Will, a refusal to follow predetermined government policy and an incitement to popular revolt. Castigating the War Minister for insubordination, insolence and stupidity, the Emperor eventually refused even to see War Minister Itagaki Seishiro in person, with relations between the two becoming so bad that the War Ministry had to send intermediaries to the Palace to explain the War Minister's position.⁴¹ Home Minister Kido Koichi remained extremely concerned about the possibility of the anti-British movement turning into a revolution from below, while Foreign Minister Arita and Navy Minister Yonai remained unrelentingly opposed to Army pleas.⁴² In Deputy Navy Minister Yamamoto's words, "if the

Army demand for a military pact with Germany is accepted, the Hiranuma Cabinet faces certain dissolution."⁴³

Exacerbating the government's problems over Tientsin, Japanese military intelligence intercepted a number of telegrams from Chinese diplomats in London and elsewhere in early July to the Chinese Foreign Ministry that raised questions about the sincerity of Britain's desire to make compromises in the upcoming negotiations over Tientsin. According to an intercepted message dated 7 July, British Foreign Secretary Halifax now regarded the issue of silver deposits in the Chinese banks within the British Concession no longer as a "local problem" (Tenshin no genkin hikiwatashi mondai wa chihoteki mondai ni arazaru), and therefore not a subject into which Japan and Britain could enter into bilateral talks.⁴⁴ It was correct to say that the silver and currency problems concerned Third Countries, particularly China (although that was not the country primarily on the Foreign Secretary's mind). But to say that such topics could not be considered an appropriate item for discussion in Anglo-Japanese negotiations over Tientsin contradicted assurances that, according to Japanese sources, were made on 18 and 20 June by Ambassador Craigie to the Japanese government which specifically promised that Britain would be willing to discuss these issues.⁴⁵

These revelations betrayed a change in the British government's position that was meant to have been kept under wraps. On 24 June, Craigie had recommended to the Foreign Office that London make "some attempt to reach compromise with Japan on.... (the) question (of currency)."⁴⁶ The following day, the Foreign Secretary replied that "I approve generally" of the "line you suggest in your telegram... (about currency)."⁴⁷ But, on 28 June, the Treasury warned the Foreign Office that "we regard these questions as matters which concern the Americans and the French as well as ourselves" upon which "we are not prepared to contemplate any concessions." The Treasury argued that any arrangement to hand over silver, restrict Chinese National Currency within the Concession, or that would allow the circulation of the puppet Federal Reserve Bank notes, would amount to "a complete and abject surrender to the view that His Majesty's Government must assist the Japanese and acquiesce in the elimination of British trade and business interests in China," as well as a "de facto recognition of the puppet government and all that goes with it."⁴⁸

The Foreign Office immediately took its cue by agreeing to reverse itself. Calling "the promotion of their (puppet) currency... quite clearly an anti-Chinese act" that was "part and parcel of Japan's aggression on China," a senior Far Eastern Department official asserted that "for us to

facilitate or cooperate in any way would be to aid and abet the aggressors" and something "not to be thought of at any price."⁴⁹ On the basis of this and other advice, the Foreign Secretary informed Ambassador Craigie on 4 July that "currency" was a matter "of common concern between the Americans and French and ourselves," "that there is no real room for compromise," and that "we are not prepared to contemplate any concessions by ourselves alone." Halifax then instructed Craigie to frame Britain's position on this issue in a way that would "provide us with a good case should the negotiations subsequently break down on this issue" -- in other words, that would enable Whitehall to "adopt a concerted policy" with "the United States and French Governments" in such an eventuality.⁵⁰

It was no doubt correct to argue that conceding to Japan's demands over the silver deposits and puppet currency amounted to "aiding and abetting" Japanese aggression. But the Foreign Office had only two weeks previously given the British Ambassador in Tokyo the go-ahead to seek a conference with Japan on Tientsin on the basis of a formula that satisfied the "military, political and economic (underlining added) requirements pertaining to the security" of Japan's "military forces."⁵¹ Apart from pulling the rug from under Craigie's shoes, this volte-face tended to confirm a long-standing Japanese belief that the British

were untrustworthy, as well as stoke fears that Britain would try to engineer a breakdown in the Tokyo talks over an issue (i.e. currency) that would oblige countries such as the United States to give more support to the British position than they had been prepared to offer.

With the revised British stance discovered during a time when feelings within Japan against Britain were running so high, the Tokyo talks were put in serious jeopardy. But the situation was made more complex with the arrival from China of adverse Japanese intelligence reports about activities within the British Concession at Tientsin. According to local military police findings despatched to Tokyo by Consul-General Tashiro Shigenori on 3 July, links between British Concession Chinese Police officer Li Han-yuan and suspected anti-Japanese activists went much deeper than previously suspected.

According to the new allegations, Li had arranged to harbour Chinese Communist Party-affiliated "terrorists" in the British Concession during the spring of 1938. The Japanese claimed that he had also attended a meeting in December of that year in which it was decided to assassinate the Japanese Consul-General and blow up the Tientsin railway station, as well as funnelled money from the Kuomintang to Kuomintang-affiliated anti-Japanese resistance officials within the Concession on a monthly basis and arranged for a

secret meeting between anti-Japanese resistance fighters and Ambassador Clark Kerr when the British Ambassador visited the Concession in February 1939. Together with telegrams of 7 and 12 July from Counsellor Horinouchi in Peking alleging links between the Chinese partisans and the supposedly "pro-Japanese" Tientsin Consul-General ~~Herbert~~ Jamieson, this report made British protestations of neutrality at Tientsin seem hollow, if not disingenuous.⁵²

Playing into public preconceptions of British untrustworthiness, these developments could not have come at a worse time for those who wanted the Tokyo Conference to succeed. Having allowed and in some instances encouraged public opinion and the press to vent their anti-British opinions freely, the government faced difficulties in disregarding their demands, especially since they seemed so widely held. In addition, North China Army Commander-in-Chief Sugiyama Gen declared publicly in early July that "traffic restrictions (at Tientsin) should never be relaxed irrespective of the progress of the Anglo-Japanese talks."⁵³ On 10 July, there arrived in Tokyo to assist in the talks a North China Army military delegation that was headed by the reputedly hawkish Deputy Chief of the General Staff, General Muto Akira. The more "pro-British" Commander of the 27th Division at Tientsin, Lieutenant-General Homma, was excluded.

None of this boded well for the upcoming conference on Tientsin. In the opinion of Home Minister Kido, the "central authorities have lost control."⁵⁴ On 8 July, Foreign Minister Arita went further by saying that "this Cabinet is completely done for. It won't last much longer" (totemo domo kono naikaku wa dame da. Mo nagakanai zo).⁵⁵ With the government weak, divided and the personal safety of some of its members at risk, using the Tokyo Conference to make an unpopular compromise agreement with Britain over Tientsin seemed to be a growing political impossibility.

The Government Revises Its Position

As a result of the tumultuous developments of the first two weeks of July, the Hiranuma administration was forced to readjust its position on the Tokyo Conference. The strategy backed by Foreign Minister Arita ^{of} ~~to~~ insist^{ing} that the talks be limited to the problems arising out of Tientsin had already been undermined by the North China Army's insistence that all discussion of local issues be preceded by an agreement on principles applying to British policy throughout China. But with rising public clamour against the British, their policies in China, Britain's "obstruction" of Japanese efforts to "solve" the "China Incident," the continuing existence of foreign concessions and the possibility of a "backdoor" deal between the British and "pro-British"

elements within the government that would somehow make an alliance with Germany more unlikely, the chances that the Conference would be focused primarily upon issues arising out of the situation at Tientsin diminished further.

One of the first indications of a possible policy change came with a statement on 3 July by the Chief of the War Ministry's Information Bureau. Arguing that a successful conclusion to the conference would be "impossible without a complete and thorough change in British attitude towards the China Incident" (jihen ni taisuru konponteki ninshiki oyobini... taido no zesei o mizaru kagiri, sono jitsugen wa fukano de atte), the War Ministry statement went on to say that "the elimination of Britain's hostility in the British Concession in Tientsin" was dependent upon whether "Britain of her own accord abandons her attitude of assisting Chiang Kai-shek and co-operates in the construction of a New Order in East Asia."⁵⁶ Asking Britain "to change her attitude" and negotiate "with sincerity" had been part and parcel of earlier statements such the War Ministry-General Staff joint-memorandum on the Tientsin Incident of 17 June.⁵⁷ But whereas the earlier document equated "sincerity" with a British willingness to accept the relatively limited idea that the North China Army had a right of self-preservation within its area of occupation, in this statement, the War Ministry explicitly linked British "good faith" to a general

change in Britain's policies towards China as a whole and specifically the end of policies that could be construed as supportive of Chiang Kai-shek.

The War Ministry statement seemed designed to provoke tension. It was also opposed to the views of certain North China Army officers who had become sufficiently concerned about the possible adverse effects of a drawn-out stand-off at Tientsin to argue that an early resolution to the problem was more important than a clear-cut British commitment to change its China policies (genchi no gun no iken wa so wa tsuyokarazu, Shibayama Tokumu Kikancho wa en-Sho hoshin o Ei o shite hoki seshimuru o yo suru mo, jiken no ensei wa furi nari, Homma Shidancho mo doyo no mikata nari).⁵⁸ But believing that the War Ministry had decided to disregard such views in favour of the more uncompromising stance of the General Staff in Peking, "pro-British" officials such as Imperial Aide-de-Camp General Hata Shunroku and Home Minister Kido Koichi were giving credence to press "rumours" that the War Ministry might be "plotting to conclude an anti-communist military alliance with Germany and Italy by obstructing the commencement of Anglo-Japanese talks on Tientsin" (Nichi-Ei kaidan no seiritsu o bogai shi motte Doku-I to no bokyo kyotei o teiketsu seshimen to no inbo nari).⁵⁹

Whether there was such a plot and exactly who or how many might have been involved is unclear. But egged on by public opinion and the enormous outpouring of anti-British sentiment, a growing coalescence of hard-line views seemed to be occurring between the War Ministry, the North China Army General Staff, the Asia Development Board, the Foreign Ministry East Asia Division and activist extra-governmental pressure groups. On 4 and 5 July, the Foreign Minister received from Peking the most uncompromising expression of the North China Army General Staff's determination not to "end or even ameliorate the blockade" until Britain had "recognized the new situation" in China. This meant in particular ending its "pro-Chiang policies," adopting "strict neutrality" and applying such principles both to the Tientsin problem and to other questions relating to China.⁶⁰ On 9 July, the War Ministry abandoned any pretence of a commitment to a localized solution by saying that it believed the "object of the negotiations should be to engineer a transformation in British attitudes towards the China Incident" (sono mokuteki wa Eikoku o shite tai Shina jihen taido o zesei seshime).⁶¹

Another blow to the idea of a compromise agreement occurred the following day, when the Asia Development Board, a joint military-civilian policymaking body directly under the office of the Prime Minister, issued a memorandum that

placed the Tientsin problem within the context of Anglo-Japanese relations as a whole.⁶² Written to formulate a negotiating strategy for the Tokyo Conference, the document made three points of particular relevance:

1) The "new world order" (sekai shin chitsujo) that Japan, Germany and Italy were seeking to establish was fundamentally opposed to the "international system based on the League of Nations" (kokusai renmei chushin no sekai chitsujo) supported by Britain and the Allied Powers. Specifically ^{repudiating} ~~rebuking~~ the idea advanced by Ambassador Craigie for an improvement of Anglo-Japanese relations through the resolution of particular points of conflict, this line of thinking emphasized that a policy of seeking British co-operation by making compromises over particular problems such as the issues arising out of the situation at Tientsin was likely to backfire unless a prior agreement could be obtained that would change the principles upon which British foreign policy was based.

2) Britain would go to considerable lengths not to come to such an agreement. This would probably include efforts to involve the United States in a more confrontational stance towards Japan if such a strategy could be engineered. If the Tokyo negotiations were inconclusive and drawn out, British accusations that Japanese actions at Tientsin and elsewhere were part of a general pattern aimed at expelling all

foreign interests from China, establishing the Closed Door for trade with all Western powers and promoting racialistic acts aimed at destroying the prestige of the White Man would therefore be likely, according to this argument, to grow in intensity and shrillness.

3) Although ideologically opposed to Japan, Britain had nevertheless been "unable to prevent the development of a New World Order" (sekai shin chitsujo no zenshinteki shinten o soshi suru atowazu) or do anything but acquiesce in "the weakening and collapse of the international order based on the League of Nations" (Kokusai renmei chushin no sekai chitsujo... no jakka hokai). "To deal with its problems in Europe" (Eikoku wa tai Oshu mondai shorijo) -- in particular, "accomplishing its strategy of surrounding Germany and Italy" (tokuni Doku I hoi seisaku tsuiko) -- Britain will "have no choice but to devote all its energies" (kanzen no doryoku o shuchu sezaruru o ezaru) ^{there} to ~~Europe~~. To that end, London "would probably be prepared to endure considerable sacrifices in the Far East for the sake of agreement with Japan" (kyokuto ni oite wa saidaigen no gisei o shinobu mo tai Nichi dakyo o sakusu beshi). With regard to Tientsin, Japan should therefore pitch her terms high and be prepared to use force should negotiations collapse.⁶³

On 10 July, the newly arrived Japanese delegation from North China renewed the North China Army demand that the

Tokyo Conference be limited to negotiations over a general agreement-in-principle applying to China. The Japanese military had never been supportive of the idea that detailed discussions concerning Tientsin be part of the Tokyo Conference. But the growing unpopularity of the idea of holding a conference in Tokyo at all prompted efforts by the North China Army once again to get talks on all local issues transferred to Tientsin, away from public view. Arguing that, with regard to Tientsin, talks in Tokyo should go no further than an agreement on the principle that the Japanese military has special responsibilities to preserve order and protect itself in occupied areas (Tenshin mondai kosho ni yorite wa... gun no chian narabini seizonjo fukaketsu no hani ni sadame) and an agreement to end all "pro-Chiang" policies, the North China Army was most anxious that negotiations in Tokyo be concluded -- or, in the event of British intransigence, broken off -- as soon as possible (kosho no tanki kaiketsu ni doryoku shi ensei o saku).⁶⁴

The Cabinet balked at the idea of leaving discussions on local issues to the Tientsin authorities. However, in a document entitled Outline Summary of General Principles to Govern Anglo-Japanese Negotiations (Nichi-Ei Kosho Yoryo Taiko) that was submitted to a 11 July Three Minister Conference between the Prime Minister, War Minister and Foreign Minister and approved by the full Cabinet the

following day, it was agreed that discussions on Tientsin could only take place once a prior agreement-in-principle had been negotiated.⁶⁵ According to such a timetable, Britain would be required to observe an attitude of "strict neutrality" in China and also end its "support" for the Chiang Kai-shek government before detailed discussions on Tientsin could begin.⁶⁶ On 11 July, in a statement emphasizing the role of the public in bringing about this modification in government policy, an emissary from Prime Minister Hiranuma informed Ambassador Craigie that:

"The Prime Minister, while personally of the opinion that the conversations in regard to Tientsin should be confined to local issues, had been greatly impressed by public insistence upon a change in (British) policy towards Chiang Kai-shek forming an essential part of the forthcoming discussions. He was in fact being inundated by expressions of opinion in this sense coming from all over Japan and by no means confined to reactionary societies of other organized units for expression of public opinion.... The Prime Minister (further believed) that even if we settled the Tientsin question as a local dispute a further incident would arise in some other part of China, so that the only sensible course, if worse was to be prevented, was to bring about a thorough-going understanding now between Japan and Great Britain."⁶⁷

The final step in the authorization of the new strategy entailed acquiring Imperial sanction. But when Prime Minister Hiranuma went to the Palace on 12 July to explain to the Emperor the government's "principles first/details later" approach to the Tientsin talks, Hirohito objected. Fearing a rupture between Foreign Minister Arima and War Minister Itagaki, the Monarch asked that the two sets of

talks be held concurrently (go kotoba ni yoreba, gensoku to saibu jiko to wa doyo heikoteki ni gisuru kotai ari to so de nakereba rikugun no kangaeru tokoro to gaimu no kangaeru tokoro to itchi sezaru....). Yet even this last-minute intervention failed to galvanize the rest of the Anglo-American faction. Bothered by popular anti-British demonstrations and demoralized by the North China Army's refusal to consider lifting the blockade of the concessions at Tientsin, Foreign Minister Arita agreed in a 14 July Cabinet meeting with the Army demand that an agreement-in-principle be negotiated first.⁶⁸

This was a major setback for the British Ambassador. With the North China Army insisting that even an agreement in Tokyo might not persuade them to lift the blockade at Tientsin, British "thoughts and plans for dealing with the Japanese at the forthcoming conference," according to United States Charge D'Affaires Eugene Dooman, were "compounded of confusion and irresolution."⁶⁹ The British envoy was in effect rewarded for his efforts to find a negotiated settlement to the issues arising out of the Tientsin situation by being abandoned by London and by an increasing number of Japanese politicians who were either too scared about their own personal safety, or simply not in a strong enough position or in a sufficiently sympathetic frame of mind, to sustain what at best had been a somewhat lacklustre

level of support. Craigie consequently found himself in the unfortunate position of having to embark upon a set of negotiations that were powerless to impose a solution at Tientsin and likely to end in rupture, recrimination and failure. As a result, the already-rapidly dimming chances for a negotiated solution to the Tientsin Incident were in danger of being snuffed out entirely.

Chapter Seven: The Tokyo Conference (1):The Arita-Craigie Accord (15-24 July).

Between mid-June and mid-July 1939, Japan's terms for negotiating a solution to the Tientsin Incident had changed. In mid-June, the Japanese government supported the immediate convening of on-the-spot discussions at Tientsin if Britain agreed to the principle that Japanese armies in China had a right to uphold public order and preserve the security of their troops within their areas of occupation. In return, Tokyo would consider putting aside discussion of the North China Army's currency and monetary demands until after the blockade was lifted.

By ~~now~~ moving the negotiations to Tokyo, Foreign Minister Arita and Ambassador Craigie hoped to bring about the kind of localized agreement originally under consideration. But events during the following few weeks were to make this approach untenable. North China Army opposition to a Tokyo conference, growing anti-British activity throughout the country, information from Tientsin suggesting that more anti-Japanese activities had been going on in the British Concession than had been previously thought and a divided government in Tokyo vulnerable to ultranationalist pressure began to make anything less than a British capitulation to Japanese demands seem to be a political impossibility.

These developments prompted Japan to tighten markedly its negotiating position. According to its new terms, Britain would have to negotiate a preliminary agreement-in-principle laying down parameters for the adjudication of all bilateral disputes throughout China. This agreement would have to be signed before any discussions over Tientsin could commence. The British minister of state for foreign affairs said that Britain could "have reason to hope" for "an end of stripping (of civilians), searching and other similar incidents" once negotiations started.¹ But the non-committal nature of his remarks indicated that the convening of discussions would certainly not result in a lifting of the blockade at Tientsin, as had been discussed within the Japanese government, and might not even result in an amelioration of discriminatory acts against British subjects either.

On 13 July, Foreign Minister Arita informed Ambassador Craigie that "the blockade and inspection were authorized by the North China Army alone and imposed as a result of local needs and military considerations on the spot."² A few days earlier, the Commander-in-Chief of the North China Army had said that "the presently enforced traffic restrictions should never be relaxed irrespective of the progress of the Anglo-Japanese talks held at Tokyo."³ When the Japanese Foreign Minister and British Ambassador initiated

discussions, they realized that, even if an agreement was concluded, their efforts might not have any effect in alleviating the crisis at all. For a series of meetings to take place under these circumstances, resulting in the only accord to be produced by the Tokyo Conference, requires some explanation. That is the subject of this chapter.

From 'Belligerency Rights' to 'Special Requirements'

Although Tokyo had decided to negotiate an 'agreement-of-principles' before initiating discussions on Tientsin, the 'principles' upon which such an agreement should be based were unclear. Japan had for some time wanted a more forthright international recognition of its 'belligerent' status abroad. But getting countries such as Britain to recognize that Japan was involved in hostilities with another country towards which Third Countries should be neutral would have entailed a declaration acknowledging that the conflict in China was a 'war'. But if a 'state of war' existed, Britain could not, according to obligations incurred as a member of the League of Nations and a signatory of the Nine Power Treaty, remain 'neutral'. In the past, Britain had got round this problem with Japanese assistance by calling the conflict in China an 'incident' rather than a 'war' -- and making what aid it gave to China contingent upon its cooperation in accepting the distinction. But there was always

a risk that Japanese efforts to obtain a British undertaking not to interfere in hostilities in China would deny London the legal technicality that had enabled the British to remain militarily uninvolved until then.

Since late-1938, Tokyo had also been trying to buttress its overseas position by getting the West to acknowledge a New Order in East Asia. But the nucleus of this construct could be traced to the belief that, from the "Versailles system of international relations" to the multitude of colonial interests that such a system had preserved, it was the activities of western countries that had been primarily responsible for preventing Japan from attaining its rightful place as Asia's leading power. Asking a country such as Britain to support this idea would not, therefore, be the equivalent of simply demanding greater co-operation with Japan in subjugating China. It would amount rather, as pointed out by Kurusu, the ambassador to Belgium, to "requesting foreigners to cooperate in their own expulsion," something they were unlikely to do (gaikukujin ni jiko tsuishutsu no tetsudai o motomuru gotoki ga kii na insho o atau).⁴

Emphasizing that 'changing conditions' had made existing international agreements 'inapplicable', the New Order in East Asia stopped short of denouncing the interwar treaties entirely. In a somewhat sympathetic response,

London said in January 1939 that such agreements were not in any event "immutable."⁵ But the value of this oblique expression of no-confidence in the diplomatic status quo was undercut by the intensity of opposition to the New Order proclamation emanating from the United States, which regarded it as part of a Japanese attempt to obtain economic pre-eminence in China and a violation of the principle of the 'Open Door'. Because this was the one part of the Nine Power Treaty that Washington remained prepared to uphold, any mention of the New Order in a bilateral Anglo-Japanese accord ran the risk of triggering the kind of US opposition that Tokyo wished to avoid.

While not a party to the Tientsin discussions, the United States was perceived by both Japan and Britain as likely to have a crucial impact upon their outcome. From Tokyo's viewpoint, Britain had become so dependent upon America in Asia that London would sign virtually any agreement with Tokyo if Washington indicated it would not adopt a more pro-British stance.⁶ But, if negotiations broke down on economic grounds, Tokyo realized that the United States would find it more difficult to remain neutral.⁷ A fear therefore existed that London would try to engineer and exploit a rupture in the Tientsin talks once they had reached a "clear question of principle" of sufficient concern to the "interests" of "the Americans" for them to

feel unable to stay on the sidelines any longer.⁸ Globally isolated, Japan had become reliant on western markets for strategic materials and essential war items such as oil and scrap iron, and was vulnerable to the threat of Anglo-American economic retaliation.⁹

How Washington would react to the Tokyo talks was unclear. Since the expansion of Sino-Japanese hostilities in 1937, the United States had indicated it was in principle opposed to Japanese encroachment in China, but unwilling to confront Japan on anything that did not directly undermine American interests. The Roosevelt administration had been so reluctant to associate itself with League of Nations members in any joint-effort to uphold Chinese sovereignty that the Chinese had sometimes criticized Washington for being even more dismissive of their interests than the British.¹⁰ In early July 1939, the State Department had informed Japan that Washington would remain "unconcerned" so long as Tokyo refrained from making demands that would "directly affect" and be "detrimental" to "American rights" in Japanese-occupied areas of China.¹¹

These actions prompted some Japanese to believe that the British would not secure American backing during the negotiations. According to Shigemitsu Mamoru, Japan's envoy to London, the United States "had absolutely no desire to solve problems in China in joint consultation with other

powers" (rekkoku kyodo ni yori Shina mondai o kaigi nite kettei suru iko wa zenzen naku). On this basis, he said, "negotiations in Tokyo could succeed so long as they do not directly affect US interests" (Beikoku seifu wa (Tokyo) kosho ni oite Beikoku no chokusetsu no rieki ni kankei naki ijo wa Nichi-Ei kan ni kosho o kiwamuru koto).¹² This view was endorsed by the US Embassy in Tokyo, which was opposed to jeopardizing US-Japanese relations either to put teeth into multilateral commitments to China or other countries subjected to invasion, or for the sake of what they perceived to be simply pulling British chestnuts out of the fire at Tientsin in a bilateral dispute for which they believed Britain was largely to blame.¹³

The importance to Tokyo of ensuring that the United States remain uninvolved in this crisis resulted in the Japanese government displaying a circumspection in its expectations of Britain that its critics generally eschewed. On 9 July, the War Ministry said that Britain needed to "deepen Anglo-Japanese understanding towards the China Incident" (Nichi-Ei ni okeru Shina Jihen ni kansuru ryokai o fukumuru ni hitsuyo nari).¹⁴ In a paper adopted by the Cabinet on 13 July entitled "Outline for Anglo-Japanese Discussions of the Problems Relating to the Tientsin Concessions" (Tenshin Sokai Mondai Nichi-Ei Kosho Oryo), the Foreign Ministry asked for a 'reversal' in British

'attitudes' towards China.¹⁵ But, here too, the word 'policy' was avoided. Britain simply had to "revise its frame of mind" (Eikoku o shite tai Shina Jihen taido o zesei seshime) (Foreign Ministry Information Office, 14 July),¹⁶ or at most "eliminate its anti-Japanese attitude in North China" (Hokushi ni okeru tai-Nichi tekisei o haijoshi) (Cabinet, 13 July).¹⁷

With no mention of 'strict neutrality' or renunciation of support for Chiang Kai-shek, these demands fell short of even the more moderate public expectations of the British. But the Japanese government was concerned that its alignment behind popularly backed demands such as the reversion of British extra-territorial holdings to China, the severance of diplomatic ties between London and Chungking, an end to British loans to China or a denunciation of the 'Open Door' might exacerbate Japan's difficulties with the West. At the outset of the talks, the Navy Ministry had argued that "Anglo-Japanese military confrontation" (Nichi-Ei buryoku shototsu) or "general conflict" (zenmen buryoku) between Japan and the western powers must be "avoided at all costs" (zettai ni tachi itarashimezaru koto).¹⁸ This position was backed by the Foreign Ministry, the Imperial Household, most of the Cabinet and Privy Council and zaibatsu leaders.

Avoidance of a showdown with the West was also dictated by the exigencies of Japan's worsening military situation in

North China. The Japanese Army had managed to impose control only upon 'points' (cities) and 'lines' (railways and other major transportation arteries that linked them) in areas under its 'control', which were surrounded by countryside dominated by increasingly active organizations of Chinese partisans and sympathizers. At Tientsin, Lieutenant-General Homma Masaharu was using a battalion of men to implement a blockade around an area containing more western troops than those surrounding them.¹⁹ Meanwhile, the ability of North China Army Headquarters in Peking to send reinforcements was being eroded by partisan activity elsewhere in North China and pressure from the Kwantung Army, which since 1938 had been asking for a division of North China Army troops to be prepared for despatch to Manchuria to assist in operations against the Soviet Union.²⁰

Reflecting these concerns, senior North China Army officers began to display in private a more cautious attitude towards the talks than they had publicly been prepared to admit. Arriving on 10 July for the talks in Tokyo, the North China Army delegation under Deputy Chief of Staff, General Muto Akira, advanced a "compromise proposal" (dakyo shitaru an) based on recognition of the "special requirements of Japan's troops to uphold public order and preserve themselves" (genchi chian iji narabini gun no seizonjo nado no hitsuyo yori tokushu no yokyu) and Japan's

right to "suppress acts or causes harmful to our cause or beneficial to our enemy" as a "legitimate act of self-defence" (ware o gaisuru koi oyobi genin wa gun no jieijo kore ga haijo o yosuru koto o shonin shi, kore ga bogai to narubeki issai no koi o kosei suru koto).²¹ These were open-ended clauses that could justify virtually any type of action against China that Japan wished to take. But with no mention of interwar treaties, collective security, a 'neutrality' undertaking or an end to British recognition of the Chiang Kai-shek regime, such formulations would enable London to argue that there were no adverse policy implications in signing such an accord.

Tokyo still had to decide how far-reaching its demands of the British should be. The situation at Tientsin revealed that, as in other parts of China, Japan and Britain were becoming polarized over issues including trade, investment, currency and fiscal control. This caused tensions that were being intensified by the activities of public pressure groups within Japan critical of what they suspected to be Britain's designs in the region, and the unwillingness of the Japanese government to take a sufficiently principled opposing stand. On the other hand, the British and Japanese governments were engaged in a diplomatic pas-de-deux in which British reluctance to impose upon Japan the punitive provisions of interwar treaties designed to uphold the

status-quo in China and elsewhere had been mirrored by Japan's aversion to putting Britain or its western partners in a situation where they might no longer feel able to refrain from imposing such provisions.

Any formulation that was too explicit in recognizing that a 'state of war' existed in China or in demanding for Japan economic and political pre-eminence in the region risked bringing this carefully constructed entente to the ground. Without it, Japan and the West would be denied what had become a mutually convenient mechanism allowing both sides to 'agree to differ' over Japan's conduct during the Sino-Japanese war without actually saying so or having to do anything about it, especially on China's behalf. Preventing Japan's volatile public from undermining this modus vivendi was the one goal uniting Ambassador Craigie and Foreign Minister Arita when they opened their talks on 15 July.

Arita Makes His Proposal

At the start of their opening meeting, Arita submitted to Craigie Japan's agenda for the discussions. The talks were to be divided into "general questions," "problems relating to the maintenance of peace and order" and "problems related to economic matters."²² Arita did not explicitly insist upon a settlement of "general questions" prior to initiating the other negotiations, but said that "this matter would have to

be cleared out of the way first" in order to assuage Japanese public opinion, which in his view still believed that it was owing to Britain's "moral and substantial assistance to Chiang Kai-shek that the latter's continued resistance was due."²³

In sketching out the objectives of a general agreement, Arita stressed that Japan sought an understanding to serve as a "background for discussion of all outstanding questions relating to Tientsin." Such an agreement, he said, would have "nothing to do with Great Britain's China policy," the word for which (seisaku) was absent from this and other related government statements of the time. Instead, Britain would have to recognize that the "various difficulties which had arisen in Tientsin" between the two countries had arisen because Britain had "ignored" or "not fully observed" certain conditions fundamental to a harmonious modus vivendi with Japan in occupied China.²⁴ Encapsulated in a draft document prepared by the Japanese government that Arita gave to Craigie during their first meeting, these conditions were as follows:

"The British Government fully recognize the actual situation in China, where hostilities on a large scale are in progress and note that, as long as that state of affairs continues to exist, the Japanese forces in China have special requirements for the purpose of safeguarding their own security and maintaining public order in the regions under their control, and they have to take the necessary steps in order to suppress or remove any such acts or causes as will obstruct them or benefit their enemy. The British Government, therefore, will refrain and cause the British authorities in

China to refrain from all acts and measures which will interfere with the Japanese forces in attaining their above-mentioned objectives."²⁵

In this statement, the British were being asked to accept the following propositions: that there were large scale "hostilities" (but no formal state of war) in China; that such "hostilities" were a predicament in which Japanese troops found themselves rather than a consequence of their own actions; that the Japanese Army in this situation had "special requirements" to provide for its "security" and the "maintenance of public order"; that Japanese forces had the right to "suppress" any action that "obstructed" them or "benefited their enemy"; and that "British authorities" would "refrain from all acts and measures" that would impede Japanese forces in the pursuit of these objectives. The statement's most important claim -- that, "for the purpose of safeguarding their own security and maintaining public order," Japanese soldiers had a right to "suppress" or "remove" all "acts or causes as will obstruct them or benefit their enemy" -- could be traced to the 10 July memorandum of General Muto's delegation.

With no reference in the draft to Japan's 'belligerent rights' or British 'neutrality', Arita argued that the British were being requested simply to accept the factual existence of a particular state of affairs in China, not to pronounce upon its legitimacy. London was not required to

condone Japan's political or military objectives in the region, but only recognize that the Japanese Army had the right to protect itself and preserve order in a dangerous area of the world. In the words of a statement issued by the *Asia Development Board* ~~China Affairs Office~~ (Koain) on 17 July, the proposal was "separate and distinct from questions of legal recognition" (horitsujo no shonin no mondai to wa hanarete) and sought merely "de facto British co-operation in the maintenance of public order and other regional issues" (chian iji sono hoka chihoteki jiko ni tsuki jijitsujo kore to kyochoteki taido ni ideshimuru no yo aru).²⁶

For Britain to sign this statement, however, was not as straightforward as Arita made out. Although the Japanese draft supposedly had "nothing to do with British China policy," Arita's instructions from the Cabinet two days previously were to obtain Britain's "co-operation in the construction of a New Order in East Asia" and bring about the "abandonment of her attitude of assisting Chiang Kai-shek,"²⁷ in line with War Ministry recommendations of 4 and 9 July.²⁸ They were clearly policy-related. The Army's "special requirements" to uphold security and public order in China and to "suppress or remove any such acts or causes as will obstruct them or benefit their enemy" was not an explicit endorsement of the New Order in East Asia. But their open-ended nature caused many to believe that Arita was seeking,

through alternative phraseology, a regional predominance that amounted to the same thing.

Whatever the meaning of such provisions, the text of the document made clear that what the Japanese government had described simply as the need for enhanced "de facto British co-operation" in North China would require more than improved Anglo-Japanese collaboration on the spot. If London agreed that the Japanese Army had the right to "maintain public order in regions under their control," Britain would ipso facto be implying that Japanese troops were supporting a non-violent status-quo, threatened by a "state of hostilities" for which the Chinese were responsible. For fear of Japanese reprisals, Britain had been evasive about citing Japanese aggression as a cause of the conflict between China and Japan. But London's refusal to recognize the legitimacy of Japanese puppet regimes in Manchuria and other parts of China since 1931 nevertheless indicated that British policy was predicated upon the unstated assumption that it was Japanese military aggression, not internal Chinese unrest, that was primarily responsible for the "hostilities" mentioned in the Arita formula.

This might not have posed such a problem had the interpretation advanced by Arita -- that Japanese troops in China were besieged peacekeepers simply responding to Chinese acts of hostility -- corresponded to the historical record.

But through methods such as narcotics promotion, smuggling and the emasculation of Chinese governmental powers, the Japanese Army had instigated violence, disorder and instability to further its ends. At Tientsin, such activities included a blockade, insulting treatment of Chinese and westerners at inspection points, surreptitious involvement in fomenting a price rise in essential foodstuffs within the besieged concessions, instigation of anti-British sentiment throughout the region, pressure on the Chinese to leave British employment and engage in anti-British acts of violence and, by the North China Army's admission, the "fanning of confusion within the British concession" (sokainai kakuran o shisaku su).²⁹ These actions suggested not the preservation of order, but its opposite, through methods as destabilizing as those employed by suspected anti-Japanese terrorists operating in and around British and French enclaves.

There was another problem with this formula. An acknowledgement of the Japanese Army's "special requirements" to "maintain public order" would imply that Japan's military actually had the ability to create, impose and preserve such a condition. Such an inference, however, was belied by numerous reports from reliable sources in China, which indicated that the control of the Japanese military and its puppets did not extend beyond a few cities and the major

transportation arteries that linked them.³⁰ If Japan's suzerainty over China was largely bogus, a declaration that its Army had de facto control could, and according to the Chinese government should, be regarded as an attack upon China's extant sovereignty.³¹

In the light of these considerations, whether a distinction could be drawn between de facto and de jure recognition of Japan's occupation of China was questionable. For country A (Britain) to grant the occupation troops of country B (Japan) special rights to preserve themselves and uphold peace in country C (China) -- while at the same time believing that country C's insecurity had been primarily caused by country B's military aggression -- was the logical equivalent of a bank manager entrusting the security of his bank vaults to a group suspected of having previously engineered their robbery. For this reason, any such distinction -- especially if applied to the situation existing in North China in 1939 -- was likely to amount to little more than verbal semantics designed to camouflage what was in effect the approval of a hostile, and largely ineffective, military take-over of a foreign state.

For the Japanese Foreign Minister, these questions were less important than relieving the political pressure under which he was negotiating. Between 7 and 15 July, anti-British demonstrations increased dramatically, reaching sometimes

over 50 a day.³² In mass-meetings that reached 100,000 in Kobe on 9 July and 80,000 in Tokyo on the 14th,³³ protesters demanded the expulsion of Britain from East Asia, the invasion of the Tientsin concessions by force and the immediate end to the Tokyo Conference, which was being attacked increasingly as an example of a "British plot" carried out on Britain's behalf by renegade "pro-British" government officials.³⁴ From his point of view, the only way British concerns could be met without antagonizing the Japanese public to an intolerable extent was to frame a statement that was so ambivalent that London and Tokyo could interpret it completely differently.

As a result, Arita drew up a draft that substituted the illusion of an agreement for its reality. With no mention of the New Order in East Asia, a 'state of war' in China or the need for Third Countries to follow stricter 'neutrality' requirements, London could argue that it was signing an administrative document that violated no existing policies or international obligations. By contrast, the formula's 'special requirements' clause gave Tokyo the opportunity to argue that the British were recognizing the legitimacy of Japan's military occupation.

Craigie's counter-proposal

In response to the Japanese draft, Craigie suggested an alternative. The draft went as follows:

"The British government fully recognize the situation created by the progress in China of hostilities on a large scale and note that, as long as that state of affairs continues to exist, Japanese forces in China have special requirements for the purpose of safeguarding their own security and maintaining public order in the regions under their control and are entitled to expect that the British authorities and British nationals will abstain from any such acts or measures as would benefit their enemy. The British government have no intention of countenancing such acts or measures and have already made it plain to the British authorities in China that this is their policy."³⁵

In line with Arita's demands, the British government would "recognize the situation created by the progress in China of hostilities on a large scale," while refraining from equating such hostilities with a 'state of war' or indicating that Japan may have been at least partly responsible for them. The proposal also recognized that the Japanese Army had "special requirements" for maintaining security and public order in occupied China, irrespective of whether Japanese forces were genuinely interested in or capable of executing such functions. Craigie furthermore acknowledged that Britain and its authorities or nationals in China should not engage in any activities that would undermine the Japanese military's ability to carry out their "special requirements", or "benefit their enemy."

In return for these concessions, Craigie proposed two modifications to the Japanese draft. Instead of acknowledging that Japanese forces, in executing their "security" and

"public order" functions, could "take the necessary steps in order to suppress or remove any such acts or causes as will obstruct them or benefit their enemy," Craigie simply proposed that the Japanese military was "entitled to expect" "British authorities" and "nationals" to "abstain from any such acts and measures." In addition, Craigie wanted to substitute the clause enjoining Whitehall to "refrain and cause the British authorities in China to refrain from" anti-Japanese acts with a vaguer formulation that contained no implication that the British government had been responsible for previous infractions of this nature, or that they had even taken place. The new version simply proposed that the "British government" had "no intention of countenancing" anti-Japanese activities and that the government would "make it plain to the British authorities in China that this is their policy."

Arita informed Craigie that he was unenthusiastic about these amendments. Earlier during their meeting, the Japanese Foreign Minister had stated bluntly that the Japanese draft was "virtually Japan's final position" (*hotondo saigoteki no mono*) and that there "was no room for compromise" (*yuzuru yochi wa nai*).³⁶ On 15 July, the Home Ministry reported that it had uncovered a plot by members of a well-known ultra-nationalist group to blow up three 'pro-British' officials, including Navy Vice Minister Yamamoto Isoroku, in Tokyo

during the Arita-Craigie talks. In the suspects' depositions, a corrupt alliance of pro-British bureaucrats, zaibatsu chiefs and political parties was accused of "deafening the emperor's ears" to the patriotism of "eighty million hearts beating as one." The Arita-Craigie discussions, according to this line of thinking, was the latest example of unpatriotic treachery that was impeding a unification of the Japanese nation-state around the Emperor (kokutai meicho), as well as a successful conclusion to "the Holy War in China."³⁷

In these circumstances, acceptance of any modification could have incalculable political effects. For instance, Craigie's proposal to replace the clause allowing Japanese troops to take all "necessary steps in order to suppress or remove.... acts or causes as will obstruct them or benefit their enemy" in favour of a British promise to "abstain from any such acts and measures" merely reflected a desire to prevent London from having to approve in advance any action deemed necessary by Japanese forces for their self-defence and the prosecution of their war aims. But in view of the frenzied intensity of the opposition to the talks, acceptance of this proposal could have been interpreted by the military, ultranationalists and other elements of the public at large as a willingness to imperil national security in order to placate the British, with destabilizing effects for the government and dire consequences for those like Arita who

were suspected of being members of the 'Anglo-American faction'.

Craigie's other demand raised different problems. The Ambassador's desire to substitute the phrase, "the British government.... will refrain.... from" with "the British government have no intention of countenancing" anti-Japanese activities in the occupied areas was based upon a desire not to accept responsibility for previous anti-Japanese acts. Trying to make this more palatable to Arita, Craigie argued that "the real genesis of past difficulties has not been the policy or action of this or that government or this or that authority, but the fact that we -- Japanese and British alike -- have never had an adequate opportunity to adapt the machinery of consultation and collaboration to the ever changing situation in China."³⁸ Yet, for Japan, it was because of London's 'pro-Chiang' policies that Whitehall had not only countenanced, but insisted upon the hostile actions that Craigie was so keen not to lay at Whitehall's door. This could be seen from Whitehall's order to the British concession not to hand over the four anti-Japanese terrorist suspects.

These differences, however, were less intractable than they seemed. Craigie's desire to eliminate words incriminating British authorities for condoning past anti-Japanese actions in China did not stem from a belief that the

government had been blameless in this regard, but a concern that London not be seen to capitulate to Japanese pressure. In addition, his argument for the removal of the clause granting Japanese forces the right to "take the necessary steps.... to suppress or remove any such acts or causes as will obstruct them or benefit their enemy" was based not on the belief that Japanese troops had no such right, but simply on a desire that Britain should not be seen to agree in advance to any Japanese interpretation as to what was "obstructive" to them and "beneficial" to their enemy and what was not.

Craigie's stance was therefore very conciliatory. In line with Arita's demands, he admitted that 'large scale hostilities' in China did not amount to a 'state of war', that they gave Japanese occupation forces special rights to preserve themselves and maintain public order -- irrespective of whether they had the right, interest or competence to do so -- and that the British authorities should do nothing to undermine Japanese forces in the pursuit of these objectives. In his stated desire to avoid giving Japan a "blank cheque" (hakushi ininjo)³⁹ for future actions, he appeared concerned less about Japan's wielding of unlimited powers in China than by the possibility that Whitehall might be held internationally accountable for their legitimation.

While not yet in complete accord with his counterpart, Arita seemed encouraged by the course of the meeting.⁴⁰ The Foreign Minister, who had privately indicated as late as 14 July that the talks "would probably be rough going,"⁴¹ seemed worried that anti-British demonstrations might derail the talks. He was particularly concerned that the rising tide of anti-British popular resentment might make life too unsafe for the negotiators to continue discussions, as well as prompt the British to insist upon a diminution or end of anti-British activity as the price for their continuing participation in the talks -- demands Tokyo would almost certainly have been incapable of meeting.⁴² Yet to Arita's apparent surprise and pleasure, Craigie helped to forestall such an outcome by "not mentioning a word" about the entire subject (Craigie wa daijin ni naikoku no hanei undo ni tsuite wa issho ichigen mo itte oranakatta).⁴³ In return for these proposed compromises, the Japanese Foreign Minister had yet to make a concession.

Because the two negotiators were not yet in complete accord, both drafts were sent to London. By sending his own version, Craigie showed that he was not willing to capitulate completely to Japanese demands. But the similarity of both documents indicated that Craigie would press London to grant Arita's overriding wish: a document that could be interpreted

by the Japanese as a de facto recognition of Japan's belligerency rights throughout China.

Whitehall's Reaction to Arita's Formula

How to react to Japan's military operations in China posed a quandary for Britain. If Japan was to be recognized as a 'belligerent', the operations in which Japan and China were involved would have to amount to a 'state of war'. But since Britain was a League of Nations member and Nine Power Treaty signatory, recognizing hostilities in China to be a 'war' would not ensure British neutrality, but oblige London to consider coming to China's assistance as a victim of external aggression. Two days before the opening of the Arita-Craigie talks, London warned Tokyo that the "various League resolutions on the subject of Sino-Japanese hostilities, to which His Majesty's Government has subscribed, would make it very difficult.... to give public definition of its attitude as one of neutrality."⁴⁴ While the Japanese government admitted privately that hostilities had developed to a point where a "state of war virtually existed,"⁴⁵ Whitehall was saying that making such an admission public might force Britain to implement the collective security provisions of interwar agreements that the West had evaded for so long.

The Arita statement offered Britain a way out of this dilemma. By attributing China's declining security to the "existence of hostilities on a large scale," the formula recognized that Japanese troops were in a warlike situation. But by refraining from ^{saying} who the belligerents were or what had caused the "hostilities" to develop in such a fashion, discussion of the role of the Japanese military in their promotion was avoided. Few were unaware of Japan's responsibility for the conflict in which its troops in China were enmeshed. But in the absence of this or any other League of Nations statement explicitly admitting that these hostilities amounted to a state of war, London could argue that granting Japanese troops the right to uphold the 'public order' that the 'existence of hostilities on a large scale' now threatened was not, at least technically, in violation of League of Nations or Nine Power Treaty collective security covenants.

In response to the Arita and Craigie formulae, London issued a counter-proposal seeking accommodation with Japan while camouflaging more comprehensively the concessions Britain was prepared to make. Sent to Craigie on 17 July, this document stated that the British government considered that Japanese forces in China "naturally consider it essential" to safeguard their security and maintain public order in regions under their control and would "therefore

look to" "third parties to abstain from any acts or measures" that would "obstruct Japanese forces or benefit their enemy by acts detrimental to the maintenance of public order." The document also said that, "while reserving all the legitimate rights that they enjoy with other Powers," the British government had "no intention of countenancing" acts that would "interfere with" the security of Japanese troops or "the maintenance of public order" in Japanese-controlled areas.

This document differed from the Arita and Craigie drafts considerably. Unlike either draft, it did not admit that Japanese troops had "special requirements" to uphold security and public order in occupied China, but simply that the Japanese forces "naturally consider it essential" that they should. Like Craigie, Whitehall did not admit that Japan's armies had a right "to take the necessary steps" to "suppress or remove any such acts or causes as will obstruct them or benefit their enemy." But whereas Craigie acknowledged that Japanese forces "were entitled to expect" Britain's abstention from such acts, Whitehall was only prepared to admit that Japan would "naturally consider it essential" that "third parties" should abstain from activities of this kind -- and then only if they were promoted "by acts detrimental to the maintenance of public order." Like Craigie, Whitehall "had no intention of

countenancing" -- but not, as Arita wanted, an obligation to prevent -- activities undermining Japanese military security or public order in the occupied regions. But London watered down this statement with the proviso that the "legitimate rights" the British Government "enjoys with other Powers" must not thereby be interfered with.⁴⁶

Because the Whitehall document deviated further from the Japanese version than the Craigie draft that Arita had already rejected, the Japanese government was never likely to give it serious consideration. But Whitehall was loath to recognize the constraints under which the Japanese government was operating. Resolutely adhering to its belief that "there is no public opinion in Japan," that the "Japanese public have been instructed to demonstrate" and "that the nation, as one man, would be waving Union Jacks and shouting 'long live Great Britain' as early as tomorrow morning if the instructions went forth to do so,"⁴⁷ London believed that Japan's government remained sufficiently in control of its people to be more responsive to British proposals than Arita had indicated.

Based more upon racial preconceptions than empirical analysis, such interpretations of Japan's domestic situation bore little resemblance to what was actually happening. In an effort to appraise Whitehall of this, Craigie informed London of a conversation between American Chargé d'Affaires Dooman

and Japanese military representatives in which the latter had expressed "astonishment" and "dismay" at the extent to which army propaganda had stirred public opinion. But incredulous that the Army could lose control over something it had initially encouraged, Whitehall dismissed the purveyors of such ideas as "credulous," "feted and flattered by the Japanese," "born (in Dooman's case) in Japan of Persian parents" (Oriental lineage presumably implying susceptibility to self-delusion), "not.. entirely able to escape from the influence of their (the Japanese) by no means effortless charms" and "unable to sift the grain from the chaff."⁴⁸

In addition, the impetus for Japanese compromise was being undermined by an unrelated development far from the public eye. Japanese intelligence had been intercepting diplomatic cables between the British Embassy and London, the American Embassy and Washington and the Chinese Embassy in London and Chungking.⁴⁹ As a result of an intercept of a message from Washington to Tokyo dated 18 July, Tokyo received information that the State Department had ordered US officials in Japan not to intervene in the Tientsin discussions even if they concerned issues such as eliminating Kuomintang currency from North China. In contrast to previous statements emphasizing that the United States would not remain detached if the talks in Tokyo focused on issues involving the United States and other countries, this

statement indicated that Washington might be even less inclined to intervene on Britain's behalf than Tokyo had been led to believe.⁵⁰

The Arita-Craigie Meetings of 19 July

Foreign Minister Arita's reaction to Whitehall's emendations was predictably unforthcoming. In two tense meetings with Ambassador Craigie that took place on 19 July, he rejected every change that the British government wanted to make. Craigie was informed that, unless London recognized the Japanese forces' "special requirements" to preserve security and public order in occupied China, rather than "the view of the (Japanese) government" that they should exist, the "negotiations were condemned in advance to sterility." Arita also insisted that, in order to "give Japanese people some assurance that misunderstandings and difficulties on the same scale (as happened at Tientsin) need not be expected" in the future, the British government had to "cause" its authorities and nationals in China to "refrain from" (rather than merely refuse to countenance) all anti-Japanese activities.⁵¹ Britain would also have to support actions Japanese forces might take "to suppress or remove any such acts or causes as will obstruct them or benefit their enemy."⁵²

This was a bitter pill for the British to swallow. Arita's insistence that Britain "refrain from" anti-Japanese activities amounted, in Craigie's words, to an admission that "our authorities" had "previously been in the habit of taking" "obstructive acts and measures" towards Japanese troops -- and were being forced to change behaviour at Japan's diktat. Furthermore, Arita's insistence that Japanese forces could eradicate "obstructive acts" or "acts and causes... as will... benefit their enemy" did not specifically relate to the supposed "special requirements" of Japanese occupying troops to uphold military security and preserve public order, but amounted virtually to signing away the right to object to any action Japanese forces wanted to take in oppressing Chinese inhabitants under their dominion.

In an attempt to head off the impasse, Craigie offered another compromise proposal. To save British face, it was suggested that Britain "abstain" rather than "refrain" from future anti-Japanese "acts and measures." In return, London would be prepared to recognize that Japan's army had "special requirements" to maintain military security and public order in China as well as the right to "take the necessary steps in order to suppress or remove any such acts or causes as will obstruct them or benefit their enemy," with the caveat that the British could "reserve their rights to object to any particular step or requirement."⁵³

Even this proposal did not find favour with Arita. He informed Craigie that, unless Britain agreed to "refrain" from anti-Japanese activities in the future, the document would "imply" that the "attitude of His Majesty's Government and of British authorities in regard to such matters was to remain precisely what it had been hitherto." This would "remove" "the whole point of the proposed declaration which was to give Japanese people some assurance that misunderstandings and difficulties on the same scale (as at Tientsin) need not henceforth be expected." In addition, Arita said that a clause reserving Britain's right to object to future measures by Japanese troops would "mar" the "efficacy and intention" of "the proposed declaration," which "was intended to be a question of principle."⁵⁴ Craigie's last-ditch suggestion -- that such a right be recognized in a "formally agreed record" of the negotiations rather than the agreement itself -- was also rejected.⁵⁵

Arita did offer some minor modifications to his draft. He simplified the clause that originally read "Japanese forces.... have to take the necessary steps in order to suppress or remove any such acts or causes as will obstruct them or benefit their enemy" to "Japanese forces.... have to suppress or remove any such acts or causes as will obstruct them or benefit their enemy" (thus removing the words "to take the necessary steps in order"). He also proposed to

change the second part of the formula from "The British Government.... will refrain and cause the British authorities in China to refrain from all acts and measures which will interfere with the Japanese forces in attaining their.... objects" to the "British Government has no intention of countenancing any acts or measures prejudicial to the attainment of the above-mentioned objects on the part of the Japanese forces and will cause the British authorities and nationals in China to refrain from such action and measures."⁵⁶

These modifications hardly alleviated British concerns. The removal of the words "necessary steps" did not dilute Tokyo's demand for an open-ended British commitment to support Japanese forces in "suppress(ing) or remov(ing) any such acts or causes as will obstruct them or benefit their enemy." The other amendment still required Whitehall to "cause British authorities and nationals to refrain from" anti-Japanese activity. As Craigie mentioned, such an agreement would grant Japanese authorities in China a "blank cheque" to do whatever they wanted in China and would imply that British expatriates in China and/or the British government in London had been responsible for anti-Japanese activities that were now to stop as a result of Japanese diktat. To add insult to injury for the British, Japan was not even prepared to promise in writing that anti-British

agitation in China would die down with the signing of such an agreement, a last-minute effort by Craigie and Whitehall to wring a concession from the Japanese.⁵⁷

Craigie reacted angrily to Japan's position. Complaining that Arita was "unyielding" and "had scarcely taken a single step in my direction" whereas "I had gone a very long way to meet him" and that "a great opportunity to improve Anglo-Japanese relations was being wasted," the ambassador surmised that the negotiations had "reached bedrock," that Britain had "gone to the limit of concessions" and that London could make "a good case" to "world opinion" by calling off the talks.⁵⁸ Finally confronted by the humiliating terms the Japanese were demanding, Craigie urged Whitehall that it "be brought home to them that there is a limit to our conciliation." Describing Arita as "a cleft stick," "constrained and preoccupied" and "clearly depressed at the course which the discussion had taken,"⁵⁹ Craigie explained these setbacks in terms of anti-British demonstrations reaching such a pitch that the middle had fallen out of Japanese politics entirely.

There was some truth in this assessment. But absent from Craigie's interpretation of events was a recognition of Japan's larger agenda. Arita had informed the Ambassador on at least one occasion since mid-June that Japan's ultimate aim in any negotiations on Tientsin would likely be either a

British acceptance of the New Order in East Asia or the conditions whereby such a recognition would soon be facilitated.⁶⁰ During their 19 July meeting, Arita reminded Craigie of this by criticizing the British for remaining uncooperative towards the establishment of the New Order (Toa shinchitsujo no kensetsu ni taishite Eikoku ga jurai torikitta seisaku wa keshite kyoryokuteki na mono to wa ienai).⁶¹ While Japan had agreed not to mention the New Order in East Asia in their statement, this was an indication that references to "special requirements" of Japanese occupying troops to "safeguard their own security," "maintain public order," and "suppress or remove" "acts or causes as will obstruct them or benefit their enemy" were euphemisms that amounted to the same thing.

At about the time that Arita was making these comments, Sir George Sansom, the British Embassy's Economic Counsellor and one of the longest-serving British diplomats in Japan, warned of a broad Japanese consensus behind the idea of a "'new order' in Asia" that would "involve the ultimate displacement of Great Britain in the Far East." Using words not very different from those used by Arita in his meeting with Craigie, Sansom -- who was on furlough in England during the summer of 1939 -- bleakly surmised that it was "open to serious doubt whether in present conditions we have any useful friends in Japan." From this perspective, trying to

improve Anglo-Japanese relations by solving "points of conflict" would do little more than enable Japan "by force and threats of force to dominate East Asia, and in the process destroy the greater part of British interests in the region."⁶²

From as recently as 13 July, Arita had said that Japan was asking simply for a recognition of "the situation as it exists (in China)" (tan ni genjitsu no jitai)⁶³ and an undertaking that Britain's "policies relating to the China Affair" were "not guided by any hostile intention to harm Japan."⁶⁴ But being on bad personal terms with Sansom and intolerant of the advice he was offering, Craigie made no reference to Arita's 19 July request for enhanced British co-operation with the New Order in East Asia in his despatches to London. As a result, he was unwilling to appraise Whitehall of even the possibility that the New Order in East Asia was part of an ongoing political agenda shared throughout the Japanese political spectrum. This included even so-called "moderates" of the "Anglo-American faction," a group whose desire to solve the Tientsin crisis diplomatically almost certainly had less to do with a willingness to coexist peacefully with Britain under existing international arrangements than a pragmatic desire not to involve their country, as yet without a military alliance

with Germany, in a war with China, the Soviet Union, Britain and possibly the United States at the same time.

At this point, the problem as viewed by both negotiators boiled down to a choice of wording that obfuscated the changes Britain was making without showing that Japan had compromised its position. For Craigie, Japan -- by pushing Britain to reveal that it had "completely surrendered to Japan" (Nippon no koatsuteki taido ni kuppuku suru ga gotoki insho o ataeru koto) in an agreement that London could not even pretend was "mutually agreed upon" (sogo seishitsu no mono) or "not forced down Britain's throat" -- had finally gone too far.⁶⁵ For Arita, Japan had made a concession to the British by omitting all references to the New Order in East Asia in their proposal. According to such a perspective, attempts by Britain to obtain further concessions by quibbling at, objecting to, or redefining, any inconsistencies in the phrases he had substituted in its stead would be interpreted in Japan's highly charged political atmosphere as insincerity, a desire to carry on as before and a refusal to recognize "the actual situation in China" as it then existed.

Whitehall Agrees to Compromise

Although aware that recognition of Arita's formula might not serve Britain's long-term interests, London

believed that the proposal was not in conflict with its immediate concerns. With Japan described as a "peacekeeper" in an area "destabilized" by "hostilities" rather than a "belligerent" engaged in "war," London could continue evading the choice of either pledging neutrality -- and thereby admitting that its multilateral undertakings to China were worthless -- or facing up to the reality that Britain was obligated to uphold China's integrity from the depredations of an aggressor state. By avoiding "dangerous arguments about belligerent rights and neutrality," said the Far Eastern Department, London could avoid the "vexed question of how far we could comply with the obligations of a neutral consistently with the resolutions adopted by the League," while ensuring that Britain continues to enjoy "the advantages that we and other League members derive from the absence of a state of war."⁶⁶

This resulted in the adoption of a position towards the Tientsin talks that was slightly more dovish towards Japan than the stance adopted by Britain's reputedly 'pro-Japanese' envoy. For Craigie, it was certainly important to ensure that collective security undertakings of interwar treaties not be invoked on China's behalf. But it was also necessary to have an agreement with Japan that, in order to save British face, somewhat concealed the extent to which such obligations were likely to be compromised. But for London, which was grappling

with a rapid deterioration of Anglo-German relations, a Europe edging towards war and cutbacks in military resources to the Far East that these developments had provoked, any attempt even to provide lip-service to such commitments could only be seriously considered if the United States was willing to adopt a more active role in Asia and show greater willingness to come to Britain's support.⁶⁷

The news from Washington was not encouraging. On 17 July, the State Department informed the British Ambassador that, while the United States remained "seriously concerned with the fundamental issues presented by the present situation in the Far East," since discussions in Tokyo were limited "to the question of administrative control of the British concession,"⁶⁸ the government would remain uninvolved. In the words of a Far Eastern Department official, "American support means so much to us in every respect, but it seems that we may be left, for a time at any rate, to meet the situation by ourselves."⁶⁹ Of paramount concern for the Foreign Office, therefore, was to ensure that negotiations do not "break down at this stage on questions of wording where an issue of principle is not so obvious as would be the case if.. (a) break were (later) to be threatened over some such question as currency."⁷⁰

As a result of these constraints, the Foreign Office reacted to Craigie's downbeat assessment of the talks by

congratulating him on wringing from the Japanese "concessions" he realized were probably nothing of the sort. Managing to get no substantive change to the first half of the Japanese formula of 15 July, Craigie correctly surmised that Britain was being asked to "swallow whole" any "special requirement" considered necessary by Japanese forces in China to pursue their activities and to "endorse" the "much too general clause" about allowing the Japanese Army to "suppress or remove any such acts or causes as will obstruct them or benefit their enemy."⁷¹ But determined to sign this agreement, the Far Eastern Department went out of its way to reassure its dubious ambassador that his success in getting Arita to remove the words "to take the necessary steps in order.." -- which came before "to suppress or remove any such acts or causes as will obstruct them or benefit the enemy" -- was a real concession that implied that Britain was granting less of a blank cheque to Japanese forces in China than it really was.⁷²

Even more questionable was another argument advanced by the Foreign Office in order to strengthen Craigie's flagging spirits. According to a 20 July telegram to the ambassador, the Arita formula, by only requesting Britain to "note," rather than "agree," that Japanese forces in China had "special requirements" to uphold public order and security and to "suppress or remove" "acts or causes" obstructive to

them or beneficial to their "enemy," was not actually requiring the British to acknowledge the validity of any of these claims.⁷³ Had London really believed this argument, the Far Eastern Department would not have tried previously to water down this part of Arita's proposal by replacing the words obligating Britain to "note" the existence of such rights with a phrase merely requiring Britain to note that Japanese forces "naturally consider it essential" that they should.⁷⁴ Especially after having failed to get their own less-incriminating version accepted, the Department's assertion that "noting" the existence of such rights did not amount to a "recognition" that they really existed smacked of semantic hair-splitting that verged on the disingenuous.

In an attempt to deflect attention from the magnitude of the concessions Britain was being required to accept, London made two suggestions. The first was to amend the second half of the Arita formula in such a way that Britain would not be "causing" its authorities in China to refrain from anti-Japanese actions, so as to remove the implication that such actions were "something we had previously been in the habit of doing." The second was to ask once again for a side agreement or "exchange of letters" between Ambassador Craigie and Foreign Minister Arita in which Britain's right to object to future Japanese military measures in China, as well as its "duty" to uphold the "position and obligations of

other Powers" with interests in that country, would be acknowledged.⁷⁵

These changes were largely cosmetic. London's proposal that British "authorities and nationals in China" be "instructed to refrain from" anti-Japanese activity was only a somewhat less blatant admission that they had been involved in such acts than was implied when Arita asked London to "refrain and cause the British authorities to refrain" from such activity (July 15 draft), or when the British government was asked to "cause the British authorities and nationals" in China to "refrain from" such acts (amended Japanese proposal of 19 July). It was also clear that Britain's suggested side-agreement was not an attempt to put limits on Japan's freedom of action in China so much as a paper mechanism designed to "reassure" the British public that there were caveats to Britain's acceptance of the accord. London hoped that, by relegating such scruples to a little-mentioned side document of minimal legal validity, Tokyo would feel that its signature to the document would not impair the illusion being propagated within Japan that such differences did not really exist.

The Signing of the Accord

With London anxious to avoid a rupture of discussions at this point, Tokyo could dictate the final terms. In a

meeting with Craigie on 21 July, Arita agreed to remove the words obligating the British government to "cause" its nationals and authorities not to engage in anti-Japanese activity in China or acts "beneficial" to its "enemy," but insisted that Whitehall not just "instruct," but "make it plain," to them that they should "refrain from such acts and measures." In other words, the British government had to acknowledge more openly than it would have liked that the British in China had indeed been engaging in such activities, which were now to stop upon Japanese insistence.⁷⁶

London's other proposal -- that there be a separate record of conversations or exchange of letters acknowledging Britain's right to disagree with Japan over what constituted legitimate acts of self-defence, or measures "obstructive" to Japanese forces in China and "beneficial" to their "enemy" -- Arita also rejected. Instead, Craigie was told he could report back to London that "the first sentence of agreed formula is not intended to preclude the British Government from making representations" to Tokyo "in regard to any particular case if unfortunately the occasion arises for doing so." Under this arrangement, there would be no mention of "the position and obligations of other powers in China," a demand Arita turned aside on the less-than-reassuring grounds that he "regarded Britain's statement" about Third Powers as "self-evident."⁷⁷ Meanwhile, Arita gave no assurances about

ending the anti-British movement in China, saying only that his "personal opinion" was that the "agitation would quickly subside if (an) agreement were reached in (the) present conversations."⁷⁸

Aware that Whitehall was not going to let negotiations break down at this stage of the proceedings, Craigie recommended that Britain sign the document. Warning London against "arousing all Japanese latent suspicions" with side-agreements mentioning the rights of Third Powers in China,⁷⁹ he advised against insisting upon stronger language than Arita proposed that would allow Britain to "agree to disagree" with Japan over interpreting the formula, or upon a stronger assurance that anti-British activities in China would cease. He also recommended that London accept Tokyo's wording of the second sentence of the accord "making it plain" to "British authorities and British nationals in China" that they should "refrain from" anti-Japanese "acts and measures."⁸⁰

Whitehall agreed to all of Arita's final terms and instructed Craigie to sign the document. The British Ambassador met the Japanese Foreign Minister late on July 22 to initial the agreement, after a meeting of the Japanese Cabinet earlier that day had ratified the minor changes that Craigie had managed to insert into Japan's original proposal. It was then agreed that the formula would be made public on

the evening of 24 July (23 July was a Sunday), for publication in the press the following day.

Army Reaction to the Agreement

At the outset of the Tokyo Conference, there had been indications that the Army was going to sabotage the talks. During the previous two weeks, demonstrations erupted blaming the decision to proceed with the Tokyo Conference for Japan's failure to conclude an alliance with Germany.⁸¹ With the Army suspected of colluding in these demonstrations, there were rumours in the press, Imperial Household and the Home Ministry that the military was "trying to obstruct the Anglo-Japanese talks" as part of a "plot to impose an anti-communist alliance with Germany and Italy" (gun ga shiite Nichi-Ei kaisho no seiritsu o bogai shi motte Doku-Ii to no bokyo kyotei o teiketsu seshimen to no inbo naru to rufu suru).⁸²

As the talks commenced, there were grounds for such fears. At a Cabinet meeting on 14 July, War Minister Itagaki rejected Arita's request for a lifting of the blockade if Britain agreed to sign his "statement of principle" (Arita wa Itagaki ni Eikoku ga nanraka no keishiki nite daiichi gensoku o daitai shonin shitaru toki wa Tenshin no kakuzetsu o tettai suru no yoi ariya to ukagaitaru tokoro, Itagaki wa sore wa komaru to no koto).⁸³ This stand obliged the Foreign Minister

to inform the British that, in return for signing an agreement in which they might have to give away almost everything, they could expect virtually nothing. To complicate matters, the War Minister, despite being sternly reprimanded by the Palace (on 6 and 12 July)⁸⁴ for continuing to pursue an alliance with Germany, made a dramatic appeal in a Five Ministers Conference on 18 July to reconsider strengthening the Anti-Comintern Pact. The grounds this time were that continuing Kwantung Army setbacks on the Sino-Mongolian border now made such an agreement a matter of urgent national security.⁸⁵

From the middle of July, however, there were signs that the anti-British movement was beginning to get out of hand. Senior government officials and military officers were targeted for assassination.⁸⁶ According to a subsequent account of a naval aide-de-camp, the Navy Ministry -- fearing an armed attack by fanatical armed units -- had "prepared for a possible siege by installing arms, ammunition, provisions, lights and an independent electric power plant and had made arrangements for digging wells."⁸⁷ As the would-be assassins revealed their schemes, it became clear there was a movement afoot to "complete the work" of the failed coup of 26 February 1936 which had sought to overthrow the entire government.⁸⁸

In a situation in which even his own security could not be assured, an apparently chastened War Minister informed the Home Minister, the Prime Minister and the Cabinet Secretary in a private meeting on 14 July that "the anti-British movement has gone too far" (jitsu wa mo hanei undo ga amari ni ikisugite) and that "the Army was extremely worried about the situation" (rikugun de wa hijoni shimpai shite irun da).⁸⁹ Because the Army had been suspected of "passing money under the table" (kane o dashi)⁹⁰ to foster the activities Itagaki was complaining about, he might have been trying to lull the Cabinet into a false sense of security by feigning an attitude he did not really hold. But in marked departure to what seems to have been previous Army practice, the War Minister said that "public opinion needs to be calmed down" (kokuron o ochitsukenakereba ikenain da) and the demonstrations "suppressed" (danatsu).⁹¹

Whatever War Minister Itagaki's intentions, his actions indicated to the rest of the Cabinet that he would not regard the holding of the Tokyo Conference as a resignation issue. Once the final shape of the agreement became known, the Army also realized that it would not have to make any substantive concessions. Japanese occupation forces would retain full autonomy with regard to the blockade while the British were being required to legitimize claims of Japanese troops in China that were much more far-reaching than anything that had

been admitted in the past (i.e. suppression of acts or causes as would "obstruct" them or "benefit" their enemy).

At a press conference prior to the publication of the agreement, Prime Minister Hiranuma gave further assurances to the military. He announced that Britain's recognition of the "actual situation" in China was an endorsement of the "new political realities" from which Whitehall had been determined to "avert its eyes" (Shinseiken o mitomeru to iu tokoro made issokutobi wa ikanu toshite mo, shinseiken ga dekizaru o enai genjitsu no jitai ni me o somukeru koto wa dekinai wake da).⁹² This included the "special relationship between Japan, Manchukuo and China" (Eikoku ga kono gensoku ni shitagatte Nichi-Man-Shi sankoku no sogo kankei o ninshiki shi).⁹³ He also stressed that "the success of the Tokyo Conference would have absolutely no impact, adverse or otherwise, on policy to strengthen the Anti-Comintern Pact" (Tokyo Kaidan no seiko ni yotte bokyo kyotei kyoka hoshin no ueni eikyo o ukeru koto wa zettai ni nai).⁹⁴ Therefore, although the government would "clamp down hard on anti-British demonstrators" (Kokunai no haiei undo ni taishite wa... seifu no hoshin ga.... undo wa genju ni torishimeraneba naranu),⁹⁵ Hiranuma reassured the Army that ultranationalist groups advancing military goals by terrorizing opponents or insufficiently enthusiastic advocates of a Berlin-Tokyo alliance could continue unchecked.

The Marketing of the Accord

To neutralize domestic critics, the accord was portrayed in terms very different to what the negotiators suspected it really meant. A document that Craigie had until as late as 20 July been criticizing as requiring Britain "to give the Japanese military in China a virtual carte blanche to take any action they thought fit"⁹⁶ was recast in his memoirs as part of a "reasonable solution" in which "the rights and interests of Britain, China or other Powers" were "not prejudiced" and which provided "a breathing space during which exacerbated feelings may calm down"⁹⁷ (anti-British demonstrations in fact continued at fever pitch until almost the end of August when talks broke down completely). The Far Eastern Department informed Craigie that "we must not be understood as undertaking to do anything in implementation of the formula which would entail infraction of any of our treaty obligations to third Powers."⁹⁸ But it realized it was signing an accord that would likely be used to further the New Order in East Asia, a dramatically reduced role for western interests in the area and a situation in which the obligations and rights of western powers as defined under interwar treaties would be to all intents and purposes eliminated.

Japanese politicians were involved in a similar process of dissimulation. On 15 July, Arita had stressed that the preliminary agreement would serve merely as a "background" document having "nothing to do with Great Britain's China policy."⁹⁹ But on the 22nd, Arita was informing his Cabinet that "the British and the Japanese were completely of one mind" (Nichi-Ei iken mattaku ittchi shi) about signing a "memorandum of understanding mandating the British government to end its anti-Japanese, pro-Chiang Kai-shek policies" in China (Eikoku seifu no hannichi shoen seisaku hoki ni kansuru oboegaki).¹⁰⁰ Meanwhile, the Prime Minister "confidentially" expressed (via the British envoy) his "extreme appreciation"¹⁰¹ of a statement by Prime Minister Chamberlain, according to which Britain was only being asked "to view Japan's difficulties with more understanding" but not "fundamentally reverse"¹⁰² its foreign policy in China. At the same time, Hiranuma was proclaiming to his own public that British interests in China impinging on "the special relationship between Japan, Manchukuo and China"¹⁰³ would not be recognized under the terms of the pact.

When one of Japan's dailies criticized Chamberlain's comments for being "in conflict with Japan's understanding of the purport of this agreement,"¹⁰⁴ the stark dissimilarities between London and Tokyo's explanations of the accord did not escape public comment. But once Japan's Cabinet decided to

refrain from publicly demanding British recognition of the New Order in East Asia in favour of a private commitment in this regard, the content of the agreement was likely to be less important than the range of interpretations that could be read into it. What Craigie and his superiors learnt somewhat painfully through the course of the negotiations was something the Japanese Foreign Minister seemed to have realized from their outset: that if the British wished to continue evading their collective security obligations to China without formally renouncing them, Whitehall would have to sign a document that could be plausibly interpreted in Japan and the rest of Asia as a de facto British "sell out" in the Far East.

Western diplomats quickly criticized Japan for bending the terms of the accord to their own advantage. Because Prime Minister Hiranuma called a press conference (22 July) before the publication of the Arita-Craigie text (24 July), the West awoke on 23 July to find that the British had signed an as yet unpublished agreement that henceforth allowed for British rights in China only if they "did not conflict with the special relationship between Japan, Manchukuo and China" that the British, by signing this agreement, had "recognized."¹⁰⁵ This caused consternation outside Japan, particularly amongst the diplomatic corps in China. Exclaiming that "someday there will have to be written a new dictionary of the English

language," the American ambassador to Chungking berated the way Japan "allowed the character of the formula to leak to its own public before the time agreed upon by both sides for its publication" and "placed upon it the interpretation it wanted."¹⁰⁶

These criticisms had some merit. In equating the Arita-Craigie accord with a recognition of the New Order in East Asia, Prime Minister Hiranuma was definitely seeking to read into the agreement as much as he possibly could and arguably more than he really should. But whether Hiranuma's interpretation was more misleading than Craigie's claim (made a few days later to the American Charge d'Affaires) that the document did "not promise anything involving infraction of His Majesty's Government's obligations to third parties"¹⁰⁷ is open to doubt. As the international community was gradually realizing, an agreement that the British Ambassador himself had privately criticized as being too far-reaching in its acceptance of Japanese "special requirements" in China was a British surrender in all but name.

What one diplomat went so far as describing as a "tripled damned formula"¹⁰⁸ causing "let down... to the point when even the British public do not believe the statements of their own officials"¹⁰⁹ was, in the last resort, a device that allowed Japan, in the words of the Chinese ambassador in London, "to enjoy the rights of belligerency without having

to make a formal declaration of war."¹¹⁰ The agreement was deliberately structured to be so vague that both sides could knowingly advance diametrically opposed interpretations of its text. Through this mutually-agreed-upon process of distortion and misrepresentation, Japan would be given an even freer hand to subjugate China while Britain could once again rest soundly knowing that collective security obligations it had incurred as a signatory to the League of Nations Charter and Nine Power Treaty would not be invoked when it was China's integrity that was at stake.

Chapter Eight: The Tokyo Conference (2): Police and Security

Once the Arita-Craigie agreement was signed, the Japanese and British delegations opened two sets of talks dealing with specific economic and security issues arising out of the situation at Tientsin. Ostensibly held to uphold public order, the police and security talks were specifically aimed at ensuring that arrangements for clamping down on Chinese activists that were being implemented or discussed before the outbreak of the Incident would not again be put off track.

With the Army-directed anti-British campaign in China at its height, the discussions in Tokyo were occurring at a difficult time. Japanese armed forces at Tientsin and Peking were engaged in a number of destabilizing activities that ranged from inciting an anti-British movement which was sometimes violent to the promotion of narcotics. In addition, there was no letup in Japan's assault on China. As a result, police proposals for Tientsin were being advanced in, and affected by, a local and regional context in which the pursuit of 'public order' was subordinate or even contrary to Japan's other military goals. This chapter will examine Japan's police proposals, as well as the draft agreement concluded at the beginning of August in which they were codified, with a view to evaluating the extent to which the situation in which they were produced might have hindered

their conformity with the stated objectives of the Arita-Craigie accord.

The Prioritization of Police Discussions

With the conclusion of the 24 July accord, the Tokyo discussions entered a new phase. Until then, negotiators had at Japan's insistence focused attention upon drafting a general formula under which Britain would recognize that Japanese troops on Chinese soil could maintain "public order" and "security" in the areas in which they were located and "suppress" or "remove" "acts and causes" as would "obstruct them or benefit their enemy."¹ As was clear from the text of the agreement, the object of these efforts was to obtain a backhanded British recognition of an occupation that most of the international community, including Britain, had regarded as illegitimate.

To pave the way for the lifting of the blockade of the concessions, it was agreed that the next round of talks, which were to last from 24 July to 17 August, should examine how the Craigie-Arita formula could be applied to specific problems between Japan and Britain arising out of the situation at Tientsin.² But it was not difficult to see that what both Japan and Britain classified as "local" issues had ramifications that went well beyond Tientsin. As the Chinese pointed out, the mere decision to negotiate matters

concerning "Chinese territory and Chinese sovereign rights" without China's participation or approval was technically illegal.³ To utilize such discussions in order to eliminate Chinese currency and anti-Japanese dissent amounted even in British legal opinion to an erosion of the authority of a government that Britain recognized to be the legitimate ruling entity of a sovereign nation wrongfully under attack.⁴

Particularly problematic was the act of entering into discussions with another power over the fate of Chinese nationals upon their own soil. As concession-holders, neither Britain nor Japan had been granted judicial authority over Chinese living or working in their enclaves,⁵ but were obliged under extra-territoriality laws to deliver "Chinese offenders" to "the Chinese authorities" "on due requisition" by them.⁶ For Britain and Japan to enter into negotiations with each other over the arrest, internment, interrogation, handover and suppression of such people therefore presumed a power over Chinese citizens that even senior Whitehall officials believed had not been legally acquired by the negotiating parties.⁷

In a decision that would divert attention from such broader -- and troublesome -- issues, both countries agreed to downgrade discussions by opening up the Conference to panels of lower-level military, police and consular officials, including representatives from Tientsin. On the

Japanese side, Foreign Minister Arita ceased to take further direct part in the talks and was replaced by the more intransigent Kato Sotomatsu, Minister-at-Large to China. Assisted by officials from the Foreign Ministry,⁸ Kato headed a joint military-civilian delegation that included prominent senior and middle level officers from the North China Army General Staff and the Special Services and military police detachments at Tientsin, together with a consular representative from the Japanese Concession.⁹ Not included in the delegation was General Homma Masaharu, Commander of the 27th Division which was responsible for instituting the blockade.

A similar process of decentralization occurred within the British delegation. While Ambassador Craigie remained in overall charge of the negotiating team, he delegated much of his authority on police and security matters to his Military Attache, Major-General Piggott, who was to be assisted by a consul from Tientsin and the British Concession's Municipal Police Chief.¹⁰ A passionate Japanophile, Piggott -- although successful in gaining the ear of Ambassador Craigie -- was out-of-step with most of his other colleagues, especially in London.¹¹ But because Far Eastern Department officials realized that discussions were likely to become deadlocked upon economic issues, they were no less keen than Piggott in 'going the extra mile' to 'buy time' by making agreements

upon police and security matters first. It would then be possible to let the conference break down upon issues such as currency, over which Britain was more likely to garner international (particularly American) support.¹²

While the talks were to proceed far from the public eye, tensions wrought especially by the increasing politicization of Japanese public opinion were to have a considerable effect upon the negotiating agenda. In particular, growing anti-British sentiment had reached such a height that any sign of disagreement at the conference table was likely to be exploited by ultra-nationalists to organize massive public demonstrations against the talks and advance a political agenda (i.e. alliance with Germany) that neither government wanted. If only to create the illusion of early progress, the prioritization of police and security discussions was useful as a ploy to "calm" the "exacerbated feelings" wrought by months of organized Anglophobia.¹³ In the interim, both delegations could develop more punitive guidelines for the disposal of Chinese 'undesirables' at Tientsin that could be implemented whether the conference subsequently broke down or not.¹⁴

As both delegations were aware, these discussions were likely to have an immediate and perhaps devastating effect upon incalculable numbers of Chinese in and around the concessions who were either fighting for national survival by

any means or simply trying to preserve a sense of national identity in troubled times. Yet because Japan had already succeeded in getting the British, like themselves, to view the Chinese as the cause of their problems rather than the victims of their actions,¹⁵ there was little compunction on either side about negotiating mechanisms by which Chinese rights might be further curtailed. It was in this spirit that both delegations convened on the morning of 24 July for their first meeting in the new phase of discussions.

The Opening of the Talks

After it was decided in plenary session during the afternoon of the first day that discussion of economic issues would be put off, both delegations spent the majority of their time between 24 July and the first few days of August discussing police and security issues.¹⁶ Attention was focused upon evaluating a report prepared by a 'public safety' subcommittee that was drawn up after an all-day sitting on 25 July and refined a few days later upon the arrival of the British Municipal Council police chief from Tientsin.¹⁷

Led by General Muto Akira from the North China Army General Staff and Military Attache Piggott from the British Embassy in Tokyo, this subcommittee, which was comprised of consular, police, military police (kempei) and "special

services" (^{tokumu kikan}~~tokko~~) representatives from Tientsin, produced a series of recommendations designed to rid the British Concession of the faintest whiff of anti-Japanese sentiment. Closely reflecting the desiderata of Japanese delegates from China, these proposals included measures to expedite and facilitate the handing over of internees, the arraignment of "anti-Japanese" suspects, the weeding out of suspected Chinese nationalists from the British Municipal Police Force, the regulation of radio stations, the searching of ships entering and leaving the British "bund," the surveillance of public meetings, the censorship of the media, the clampdown upon "anti-Japanese" literature of all kinds and even the promulgation of more pro-Japanese teaching in the schools.¹⁸

The justification for many of these proposals was a Japanese concern about the adverse security implications of allowing the British Concession to continue to exist in its present form. A large political, economic and communications centre surrounded by an increasingly hostile countryside, Tientsin had become the target of nationalist groups linked both to Chungking and the communist-led Eighth Route Army.¹⁹ Like other foreign areas, the British enclave at Tientsin was peopled predominantly by Chinese²⁰ and there were concerns that the small number of British officials in charge of the Municipal Council and its police force²¹ could no longer ensure that the Concession would remain unaffected by anti-

Japanese activity prevalent in surrounding areas. The possibility either of an outrage within the Concession or the Concession being used to plan acts of sabotage elsewhere could under such circumstances not be discounted.

The British Concession, however, had already severely curtailed the activities of the Chinese. Despite the absence of legal entitlement, the authorities had restricted import and ownership of weapons, the media, school curricula, public meetings and any non-violent Chinese nationalist activities directed against Japan. Japan criticised the enclave for being used as a haven by criminals who had not been apprehended elsewhere. But the British had (until the Cheng murder) been developing procedures for handling all types of suspect that gave the Japanese an increasingly important role in their apprehension and examination. It was becoming more difficult for every type of prisoner to avoid being handed over to the puppet Chinese courts. No doubt partly as a result of these measures, the Concession remained freer of all types of anti-Japanese activity than surrounding areas supposedly under Japan's 'control', with no recorded anti-Japanese act of violence within its boundaries until April 1939.

There was little evidence, therefore, that the British Concession was from a Japanese viewpoint a 'security risk', or about to turn into one. Yet this did not prevent Japan

from demanding a stricter surveillance regimen and a greater role in its implementation. For instance, one of Japan's proposals was for a Japanese military liaison officer and police squad to be billeted within the British Concession. The liaison would be responsible for ensuring that the British Municipal Council maintain a "strict register" of "all persons residing in the British Municipal area" and in conveying to the British authorities from the Japanese gendarmerie "any information at their disposal as to irregularities in households so that raids may be made."²² The upkeep of such a census was intended to 'flush out' anti-Japanese activists in hiding by tabulating not just the lessees but also the renters and even transitory occupants of concession properties. The police squad would ensure that information provided to the British by the Japanese to apprehend suspects would immediately be used to carry out 'block raids', the mechanism for apprehending suspects agreed upon with the British in March.

A similar pattern could be seen with regard to Japan's censorship proposals. As a result of measures such as traffic inspections and proclamations urging foreigners to leave the British and French Concessions, anti-Japanese literature and posters had largely disappeared from both areas as early as the beginning of September 1938.²³ Of the relatively few complaints about British censorship and control that did

emerge from the Tokyo discussions in July, perhaps the most tangible criticisms emanated from Major Ohta, the military police delegate, who said that anti-Japanese literature -- including school textbooks -- was still being secretly printed and circulated, and that "anti-Japanese oral teaching apart from books" was taking place in the schools.²⁴ But even this allegation was unsubstantiated and none of his charges was mentioned in surviving Japanese police reports or consular surveys of intra-Concession anti-Japanese activities at the time -- which consistently mention 1938, not 1939, as being the problem year in this regard.

If the British Concession authorities were indeed as effective as the lack of Japanese criticism implied, many of Japan's proposals were from a security standpoint redundant. There seemed little reason -- from the perspective of preserving either public order or the safety of Japanese occupation officials -- to insist, for example, that Japanese police within the concession direct prepublication censorship of newspapers and films since, according to British claims, they had already been cleared of anti-Japanese content (*hakko seraruru shimbun wa hakko maeni sono naiyo ikanara Nippon kempei ni oite kenetsu itashitaki*).²⁵ Nor was there much point in having Japanese police attend Chinese public meetings when all but the most innocuous had been banned (*Sina jin shukai.. no okonawaru beki bawai Nippon kempei-tai*

wa hakkenin o shite kobukyoku keisatsukan totomoni shusseshime taki),²⁶ or inspect schools already terrorized into deleting anti-Japanese content from their curricula,²⁷ or direct searches for weapons that both sides realized were probably elsewhere.²⁸

Treatment of Political Suspects

With regard to the talks' most contentious issue -- the treatment of political suspects -- Japan's insistence on reform stemmed less from a dissatisfaction with previous arrangements than a desire to ensure that previously incurred undertakings would be implemented in a more consistent manner. Until April 1939, the British authorities had been interning suspects believed to have been involved in anti-Japanese activities outside Concession boundaries. With the incarceration of Ssu Ching-wu and his accomplices in late-1938, the Japanese started complaining that internment was not a sufficient deterrent to prevent criminals suspected of having engaged in such activities from using the British area as a haven to plan other anti-Japanese acts. But, by the end of March 1939, the British had indicated that internment would be scrapped in favour of handing over all violent political culprits -- whether the presumed offence had taken place in the Concession or not.

With the murder of collaborator Cheng Lien-shih within the British Concession in April 1939, this did not happen and Britain interned, for the first time, culprits suspected of being involved in the commission of a violent anti-Japanese act within the Concession. For London, internment in this case was conceived as a temporary stage until Japan produced a little more documentation that would facilitate their final transfer into Japanese custody. But for Japan, what finally broke the camel's back were:

1) Britain's decision to intern rather than immediately hand over the suspects who had been arrested for a violent crime that they had reconstructed in front of Japanese and British officials;

2) Whitehall's determination that the confessions obtained through interrogation of the suspects by the Japanese military police were not an adequate basis for the suspects' final transfer to the de facto authorities;

3) the role of Chinese officers within the British Municipal Police, implicated by others as being sympathizers or paid agents of the Kuomintang, in persuading the suspects, having returned to the British Concession from Japanese custody, to withdraw their confessions on the pretext that they had been obtained under duress (i.e. torture); and

4) Britain's continuing insistence that the confessions of these suspects be corroborated by further evidence from

the Japanese police, which could then be used by nationalist sympathizers within the British Municipal Police to alert other suspects and gang members still at large about who was targeted for arrest and how much the Japanese knew about their activities.²⁹

The Japanese were particularly irked at Britain's refusal to accept the confessions by the suspects of complicity in the Cheng murder obtained whilst in Japanese police custody as a sufficient evidentiary basis to justify their handover to the local court. Even under old procedures, it was common practice in British-administered areas throughout China to accept confessions as evidence that would justify the handover of British-held detainees to the de facto or Japanese authorities as long as there were no physical torture marks. In other words, the ground for refusing to accept confessions produced as a result of Japanese interrogation was not the possibility that torture might have been applied, but only the existence of bodily marks indicating that it definitely had. Even in the opinion of certain British officials, the statements of the four suspects when they retracted their confessions -- in particular, that they were "kicked in the face" and "irrigated" with "kerosene" etc. -- were "far from convincing" because no one had attested to any physical marks of such acts upon the suspects' bodies at the time.³⁰

Trying to portray in the best possible light a decision with which he disagreed, Ambassador Craigie attempted to assuage Japanese anger by saying that the question of whether the suspects were tortured was not the problem that was holding up their transfer. According to Craigie's argument, the process was really being stymied by the fact that English law did not permit the use of confessions uncorroborated by other evidence as a basis to hand over suspects for trial.³¹

The Japanese found this line of reasoning no less hypocritical than the first. As they argued, the reason why Britain had agreed that the suspects should be submitted to Japanese interrogation was to determine if the initial suspicion, held by British as well as Japanese authorities, that the detainees were involved in the crime for which they were suspected was not completely groundless. For the British then to say that the confessions could not be accepted as evidence invalidated the reason why Britain agreed to the Japanese interrogations in the first place. Such an argument, the Japanese also reasoned, illegally arrogated to the British a judicial function -- i.e. the power to decide whether Chinese suspects should go to trial -- that legally belonged to a Chinese court, not the British Concession authorities.³²

The Muto-Piggott Subcommittee Proposals

Britain's decision to intern the Cheng suspects led to an unravelling of mechanisms by which both countries hoped to increase their control and surveillance over Chinese 'undesirables' within the British Concession. But what had stymied the process was not any markedly pro-Chinese feeling on the part of the British government. Nor had the enclave become a haven for anti-Japanese 'terrorists' over whom the British could no longer exert control. The problem really lay in the fact that, as long as Britain interned rather than handed over suspects, these people remained out of Japanese hands. As long as they thus remained in limbo, others could find out and protest the grounds upon which Japan or its puppets were demanding that such people should be handed over. By virtue of Britain's lack of legal jurisdiction over Chinese within the Concession, this gave the Chinese government some influence in impeding or preventing such an outcome should they decide to take up any particular case.

Japan criticized internment in terms of being a "judicial and administrative power" that the British had no "right to exercise" under its mandate as a Concession holder.³³ But its underlying motivation in making such a criticism was not to protect Chinese rights, but simply to prevent the Chinese government from exercising its prerogatives as sovereign of China. Although without any basis in law, the practice of internment gave Chungking a

period of time to protest Britain's handover of Chinese suspects to Japan before they had actually been transferred to Japanese custody, by which time the value of any protest would become meaningless.

The object of the Muto-Piggott subcommittee was to fashion proposals that would close this 'loophole' (or, from a Chinese viewpoint, 'window of opportunity') irrevocably. Operating under the assumption that internment would be discontinued, the committee proposed to divide up political suspects into two categories: "serious" offenders, who would be immediately handed over to the Japanese, and "minor" suspects, who would be expelled, possibly with Japan discovering in advance when and where such an expulsion would take place. But according to the new proposals, "serious" offenders would, in addition to those suspected of "violent" anti-Japanese activities, also include those suspected of "communist violations," a very loose definition that could probably be construed to justify the handover of virtually anyone. In this atmosphere, proposals such as that advanced by General Muto in a 26 July meeting of the subcommittee for the handover of "all suspects, even those suspected of" peaceful activities such as "distributing anti-Japanese leaflets" did not seem particularly extreme.³⁴

As things turned out, this proposal did not receive the subcommittee's official endorsement. But under the new rules

that were drawn up by the panel, suspects would be handed over for interrogation not on the basis of "evidence" but simply on "strong suspicion" (tsuyoki gimon)³⁵ that they might have committed an anti-Japanese "offence," and handed over for trial upon the flimsy basis of there being "reason to believe" that their activities were "directed towards" "terrorist acts" and other acts of violence.³⁶ In many of these cases, the British police would no longer conduct even preliminary investigations of their own.

Generating a further erosion of any type of "due process" for the defendants, the Piggott-Muto proposals differed ^{from} ~~with~~ past practice in two important respects. The first was the acceptance of a long-standing Japanese position that the decision as to whether "strong suspicion" of "activities" "directed towards terrorist acts" actually existed would be arrived at "on a case-by-case basis on the spot" by the British and Japanese police chiefs acting alone. In deciding whether suspects were involved in these acts -- which by common consent could include such non-violent and quite possibly innocuous activities as being a member of "communist-leaning" (kyosanteki) or "anti-Japanese leaning" (konichiteki) organizations (they did not even have to be specifically communist or openly anti-Japanese)³⁷ -- these officials would not be guided by a formula "defined in advance by negotiators in Tokyo", or (as occurred with the

Cheng murder suspects) second-guessed by senior officials in China or London as a result of Chinese government protests.³⁸

The second difference concerned the use of the Japanese-induced confession. Under the new rules, the "British Municipal Council Police" would "be prepared to regard as evidence" for the "handover for trial by the Tientsin District Court" confessions made to the Japanese gendarmerie. The British also promised that, in spite of their refusal to hand over the Cheng murder suspects because they might have been tortured in ways that left no marks, their authorities would "not accept subsequent retraction of such confessions on the ground that they were made as a result of ill-treatment" unless there was actual "physical evidence of such ill-treatment." According to Ambassador Craigie, the British would now have to hand over any suspect who had confessed to the Japanese and would never ask for such confessions to be corroborated (according to the Japanese translation of his remarks, "wagaho wa genju naru shoko o yokyu sezu"). In other words, the Japanese could be assured that the British authorities would henceforward invariably hand over suspects on the basis of confessions made in Japanese custody, regardless of whether or not they were procured under duress (assuming there were no bodily marks), or whether the content of the confessions were actually true or independently substantiated.³⁹

The Fate of the Cheng Murder Suspects

This ruling did not directly relate to the four suspects still in British custody wanted for the murder in April of puppet official Cheng Lien-shih. But at the end of July, the British suggested that Craigie be shown in confidence the police records that were withheld from the British authorities in Tientsin upon which Japan's case against the suspects had been built. Since Craigie had been arguing as far back as May that British and Japanese authorities at Tientsin had established a prima facie case against the four suspects, the Japanese were being invited to assume that what would probably be a sympathetic (pro-Japanese) review of the case would be passed off in London as the 'impartial' corroboration of the suspects' confessions that was needed to clear the way for their handover. Therefore, the 'findings' that might have seemed to a more independent adjudicator unsubstantiated allegation or rumour could now be submitted without the need for verification and with a good chance of acceptance.

This was largely what happened. The only piece of firm "additional evidence" that seemed to have come Craigie's way was received from Major Ohta, head of the Japanese military police at Tientsin, in a meeting on 27 July. This consisted of testimony from another witness indicating that one of the

suspects who had "confessed to complicity in the murder" was paid to act "as a lookout at the time of the murder." At the same meeting, Ohta also promised to "provide further particulars" about a "statement" of "a member of the same gang who had been arrested earlier in the year.. which had implicated the four men."⁴⁰ But, as Craigie found out in his next encounter with Kato, Muto and Ohta on 29 July, this statement was not forthcoming. The Japanese therefore did not provide any information verifying their allegations against three of the four men, including one of the two men who had actually "confessed to complicity in (the) Cheng murder" whilst in Japanese custody.⁴¹

The problems caused by Japan's lack of disclosure was compounded by the unsatisfactory nature of existing information on the case. Firstly, as was revealed by Craigie in a despatch on 30 July, the Japanese Military Police were uncertain about the person who shot Cheng. According to the testimony of the two suspects who had "confessed" to "complicity" in the crime, the assassin was a guerrilla leader (Wang Wen) who was still at large, something that Japanese authorities did not deny. In addition, the British police were still unsure about whether the car the suspects were meant to have used to escape was used for this purpose since it was "parked in the wrong direction of traffic."⁴² A further problem arose at the end of August when someone

confessed to British authorities in Hong Kong to have actually committed the murder. According to his testimony, all four suspects had nothing to do with the crime.⁴³

In order to get around some of these difficulties, the Japanese agreed to a suggestion made by Craigie that only two of the suspects be charged with "complicity in the crime" and two with "membership of a terrorist gang."⁴⁴ This meant that the British would have to hand over both culprits who had confessed to being complicit in the crime simply on the basis of one independent "source" implicating only one of them. By allowing the other suspects to be handed over solely on the basis of being a "member of a terrorist group" (whatever that meant), the British were proposing a procedure -- with reference not just to the Cheng suspects but future detainees as well -- that would enable the Japanese, when conducting interrogations, not even to have to show that suspects were linked to the crimes for which they were supposedly being questioned in order to get them handed over.

This was not all. In describing the reasons why the two detainees who were not implicated in the Cheng murder should be handed over, all Craigie said was that "there seems to be no reasonable doubt" that they "were members of the same gang (as the others) and in receipt of pay from (the) leader."⁴⁵ This was not at all clear. The only records Craigie received of "previous terrorist activities" from his Japanese

counterparts related just to the two men who had admitted to complicity in the murder. While Military Police Chief Ohta had shown Craigie "a diagram of (a) terrorist organization in the British Concession,"⁴⁶ there is nothing in Craigie's writings to suggest that the Japanese provided him with evidence showing that the two men to be charged simply for being members of a "terrorist group" belonged to this, or another similar organization, or had engaged in other crimes or anti-Japanese activities.

The result of Craigie's "verification" process was, with reference to the murder of Cheng Lien-shih, not much more than one paltry piece of arguably relevant information directed against one of the four detainees. But once Japan agreed to modify the charges against the defendants as Craigie suggested, he immediately recommended the transfer of all four detainees on the grounds that his inquiry had produced the "independent" corroboration of their alleged "terrorist" activities that London had sought (which, as we have seen, implicated at most only one of the suspects). As a senior Far East Department official pointed out, this amounted to a "pretty slender" basis upon which to justify the handover of all four men.⁴⁷ In effect, Britain was being asked to sanction an action that had once been declared to be "offensive" to the British "sense of justice" by disregarding the notion of "due process" to an extent that probably would

have been unthinkable had the defendants been either British nationals or other Caucasians under British authority.

Determined that negotiations on Tientsin break down on economic and not "law and order" issues, Whitehall was in no mood to allow such problems to bring about a premature end to the Conference. On 11 August, the British Embassy in Tokyo informed the Japanese that "the Lord Chancellor and the Law Offices of the Crown are satisfied that sufficient prima facie evidence has been produced by the Japanese authorities to make it obligatory on the British authorities in the Concession to hand over, in accordance with the regular procedure, the four men.., two on a charge of murder and.. two on a charge of membership of an illegal gang."⁴⁸ By allowing this statement to be issued, London effectively admitted the "corroborating" evidence attained by Craigie in his "verification" process was "genuine," and that the four men should therefore be handed over immediately to the local authorities for trial.⁴⁹

The Cheng murder suspects were not the only internees within the British Concession whose fate was to be decided by these talks. Ssu Ching-wu and four accomplices detained within the Concession in the autumn of 1938 were suspected of involvement in violent anti-Japanese activities outside the Concession's perimeter. But whereas the information Britain received linked at most two of the Cheng suspects to an act

of violence, both Ssu and his four accomplices had been suspected of violent crimes. Yet, according to an arrangement brokered by Craigie at the end of July, it was agreed that only Ssu Ching-wu would be handed over to the de facto authorities while his accomplices would be "unobtrusively" expelled.⁵⁰

Why Japan acted the way it did concerning Ssu Ching-wu and his associates is unclear. But it was clearly inconsistent from the point of view of preserving security and public order to demand (in the Cheng case) the handover of two people who had neither confessed to involvement in the murder nor were clearly linked to other crimes of violence or even a particular "terrorist" organization while allowing (in the case of Ssu's associates) the expulsion of three men who were both linked to specific acts of violence as well as identified to be members of a particular "terrorist" group.⁵¹ To get priorities mixed up in such a fashion indicated either that issues of local security were not really of particular concern to the Japanese, or that the question of which sort of detainee was interned in the British Concession had much less to do with local security and public order issues than the Japanese negotiators in Tokyo liked to make out.

The Purge of the British Municipal Police Force

In a further attempt to accommodate Japan, the British delegation agreed to purge the British Municipal Police Force of many of those the Japanese suspected of being nationalist sympathizers. For fear of disabling the force entirely, the British did not agree to get rid of every Chinese officer Japan had wanted to evict.⁵² But amongst those the British did agree to relieve of their duties was Li Han-yuan, the most senior Chinese officer within the force.

In making its case against Li and his associates, the Japanese delegation argued that they had been aiding and abetting nationalists in the pay of the Chinese National Government,⁵³ as well as "assisting terrorists" within the Concession since the beginning of 1938. According to Japanese police sources, Li had attended anti-Japanese intra-Concession meetings with anti-Japanese activists (including those where assassination of pro-Japanese officials was discussed), agreed to facilitate their residency in the area, served as the conduit through which money was transferred from Chungking to finance terrorist groups within the enclave (to the tune of \$500 per month)⁵⁴ and organized a meeting between certain anti-Japanese leaders and British Ambassador Clark Kerr when he visited the Concession in February 1939.⁵⁵ The Japanese further alleged that Li was responsible for ensuring that the Cheng murder suspects were inadequately interrogated by the British Municipal Council Police

immediately after they were arrested and then persuaded to withdraw the confessions they subsequently made to Japanese interrogators.⁵⁶ The Japanese stressed that the grounds for withdrawing the confessions -- that they had been procured by torture -- were irrelevant.

Because there was some doubt within British quarters concerning the truthfulness of the Cheng murder suspects' retractions, it should not have required much for Japan to convince Britain of the alleged links between Li Han-yuan and/or the other Chinese police officers and the Cheng murder suspects and possibly other anti-Japanese activists. Nor would the British have needed much evidence to conclude that these officers might have deliberately contributed to the breakdown of a procedure designed to transfer this type of suspect to the de facto authorities. But despite producing "documents" and "diagrams" of "terrorist organizations" supposedly implicating the Cheng suspects,⁵⁷ the Japanese refused "for reasons of State" to "produce relevant evidence" to back what the British felt were "flimsy" allegations advanced "without production of any proof" against the police officers.⁵⁸

As far as the British were concerned, Li Han-yuan was a "first-class officer," with advanced officer training at Scotland Yard, whose dismissal had even been opposed by General Piggott when he travelled to Tientsin in March. A

Chinese with openly admitted nationalist sentiments, Li may have been involved in at least some of the activities alleged by the Japanese police. But it is also possible that, largely as a result of the work of such highly trained and trusted subalterns as Li, the British Concession remained freer of violent and non-violent anti-Japanese activity than the surrounding areas supposedly under Japanese 'control'. If this was true, the links Li formed with anti-Japanese individuals and groups, which as far as Japan was concerned made him an abettor of terrorism, could actually have been part of a strategy of controlling elements that might otherwise have been even more unruly than they actually were. Yet despite the possibility of Li's having made the British Municipal Police force a surprisingly effective 'terrorist-prevention' organization, it was agreed that he would go on "indefinite leave" to London and then resign from his post at Tientsin.⁵⁹

Once the British had agreed to suspend Li, the Japanese said that, instead of the nine other Chinese officers they originally wanted relieved of their duties, it would be "satisfactory" if only "two or three of these men were permitted to resign," and that it could "be left" to the "discretion" of the British Consul as to "who should go."⁶⁰ Whether Li was a security risk could be argued either way. But had the Japanese delegation sincerely believed that these

other men represented a security threat and felt unable, for fear of leaks, to reveal to the British any evidence against those who were targeted, it should have been specific in which officer(s) represented the biggest security threat, who should be fired first and how many should eventually go. But the delegation instead agreed to leave such decisions to the judgement of a British official who was not aware that any of the officers represented a security risk, and who was not going to receive evidence from the Japanese indicating which officer in their opinion was more or less 'suspect'.

The Japanese delegation tried to explain this change of tack by arguing that who or how many officers were to be dismissed was ultimately less significant than the importance such an act would have in warning "remaining (Chinese) members (of the British police) that they must place their professional duties before their national sentiment."⁶¹ Such an argument might not have been devoid of a security rationale. But it is likely that the officers to be dismissed as well as those who were to remain had in all likelihood already quashed whatever partiality they might have felt for the national cause when they participated in British-directed sweeps of anti-Japanese activists within Concession boundaries.⁶² It is therefore questionable whether the professionalism of these men was something that the Japanese were ever terribly concerned about.

The Negotiations and the Anti-British Campaign

The Arita-Craigie accord had laid down that discussions concerning problems arising out of the Tientsin situation be conducted with a view to enhancing public order and improving the military security of Japanese troops. With regard to Tientsin and the surrounding areas, Japanese forces -- sometimes as a result of their own actions -- were in an increasingly dangerous position that was clearly of concern to them. But the North China Army was also involved in activities aimed at making the British Concession "ungovernable."⁶³ In the words of a situation report from the 27th Division, drafted at the same time as the British and Japanese negotiators in Tokyo were holding 'security' talks, the military at Tientsin was engaging in efforts to "capture the hearts of the Chinese populace" (Shina taishu no seishin o haaku shi) by "more aggressively inciting anti-British sentiment" (ko-Ei shiso o ima isso kochosu) than ever.⁶⁴

The existence of an agenda clearly at odds with the principles supposedly underlying the Arita-Craigie accord was in part the product of a series of decisions made earlier in the summer by the upper echelons of the North China Army. On 29 May 1939, the North China Army General Staff had informed Tokyo that, to institute an effective blockade, it wanted to "preserve security outside the concession" (sokaigai no chian

iji ni manzen no chui o harau totomoni) "while at the same time instigating disturbances within" (sokainai kakuran o kitosu).⁶⁵ Japanese forces had been making life inconvenient for the Chinese and exerting pressure on foreigners to leave the British Concession during earlier blockades of the Concession starting the previous year. But with the strippings, searchings and slappings of westerners and Chinese at Concession entry points, an anti-British newspaper blitz and intimidation of Chinese in British employment during the summer of 1939, the North China Army was engaging in activities that were more clearly than ever relegating the administrative goal of upholding 'security' below the political goal of emasculating British power.

While not openly endorsed in Tokyo, many of these activities were less-than-wholeheartedly rejected by the central authorities. In reaction to the North China Army Order of 13 June to "implement a policy of intra-concession disturbances" (sokainai kakuran o shisakusu), the Army General Staff in Tokyo simply said that "the use of force" was "unauthorized" (jitsuroku koshi o mitomezuru).⁶⁶ This indicated less a disapproval of the North China Army's suggestions than ~~that~~ an unwillingness openly to endorse them if matters got out of hand. By not authorizing "the use of force," the General Staff was indicating that it would look askance upon an invasion of the British and French

Concessions, but not necessarily upon any anti-British activity short of such a drastic outcome. Meanwhile, in a telegram to ~~the~~ Tientsin, the Foreign Ministry East Asia Bureau had urged local officials to do whatever was necessary to get Chinese to "scorn the British" (bu-Ei shiso ni itten shi) and "depend on Japan" (Nihon izon shiso ni ten suru).⁶⁷

The Japanese public regarded the outbreak of the Tientsin crisis and the widening of Sino-Japanese hostilities as the consequence of allowing Britain to continue to exist as an imperial power in China. To them, there was no contradiction between enhancing Japanese security in China and the diminution or elimination of British authority in China. But the Tokyo negotiations were revealing that, contrary to such an assumption, the Japanese military and de facto authorities were doing such a poor job in containing lawlessness and anti-Japanese activities in their own areas of 'control' that Britain's record in this area, while not perfect, was comparatively good. Imposing more restrictions on Britain was either -- as would be the case if the Japanese military censored meetings, schools and textbooks within the enclave -- likely to have no effect in enhancing Japanese security or, if Chinese officers within the British Municipal Police Force were dismissed, likely to endanger security and public order by vitiating the effectiveness of what seemed to

be a better 'counter-terrorist' force than anything Japan had to offer.⁶⁸

From the multitude of Japanese-sponsored activities that were concurrently happening, it was becoming apparent that, whatever the British were doing at Tientsin, the Japanese military was determined to show that Britain was not quite in control of its concession, as well as to ensure that the area continue to be perceived as a hotbed of terrorist activity, actual or potential. In particular, Japanese forces wanted the concession to continue to be viewed as an example of the obstructive role Britain was supposedly playing in impeding Japanese efforts to end the war. By this means, it was possible to provide sustenance to the anti-British movement in Japan -- which was important for resuscitating the War Ministry's pursuit of a military alliance with Germany -- and divert attention from both Japan's escalating military involvement in China and the adverse public order consequences of the non-military activities of the Occupation authorities that were in part a product of such escalation. One of the most important of these was the promotion of narcotics.

The Negotiations and Narcotics

Initiated by Britain and other powers well before Japan had become an imperial player, the drug trade was revived

and expanded by the Japanese military as it advanced into China. According to the Chinese, the Japanese were "systematically encouraging opium poppy growing and the abuse of narcotic drugs in the territories they occupy" by immediately setting up an "opium sales monopoly whose sole function is to sell the largest possible quantity of opium."⁶⁹ In part to develop a source of revenue for a puppet regime chronically unable to raise money in other ways, the North China Army had presided over a huge increase in poppy growing and narcotics manufacture in North China -- East Hopei in particular -- and had even formally rescinded recent Kuomintang anti-narcotics laws in an act that resulted in "all persons" held under such regulations being "promptly relieved from custody."⁷⁰

Because one of the most important mechanisms by which the drug trade was expanded was through utilizing the extra-territorial status of foreign enclaves, in particular the lax treatment of foreign criminals by consular courts, the narcotics issue was especially relevant to the situation at Tientsin.⁷¹ An important city situated close to poppy-growing areas in East Hopei with more foreign settlements than anywhere else in North China, Tientsin had become a major centre for the manufacture,⁷² retailing and export of narcotics.⁷³ As a result of a business directed, according to the British Consul-General, by the Japanese Special Services

Chief, the Mayor of Tientsin and the President of the de facto government, "unlimited amounts of opium" were "available for sale" within the city, where the "manufacture of heroin" was also being carried out "on an enormous scale."⁷⁴

The Japanese Concession at Tientsin played a central role in this process. With most syndicates immunizing themselves from Chinese law by incorporating as Japanese firms, the settlement used its extra-territorial status to become "the headquarters" of Japan's narcotics industry in China and "the nerve centre of heroin manufacture and addiction in the world."⁷⁵ With "whole sections of the Concession.... honeycombed with narcotic drug dens," "laboratories manufacturing various types of heroin powder," "literally hundreds" of opium and heroin "smoking joints" and retail outlets, and large numbers of "peddlers and hustlers for opium dives" "openly plying their trade along the streets,"⁷⁶ the Concession was one of the main areas responsible, according to a League of Nations estimate, for the manufacture of "90% of all the illicit white drugs of the world."⁷⁷

With at least one tenth of the entire Tientsin population becoming addicts as a consequence,⁷⁸ these developments had come to threaten the 'public order' that, according to the Arita-Craigie accord, the police and

security talks were meant to 'preserve'. Since most of the victims were "low-paid labourers, coolies and beggars" making up the bulk of the "large population of homeless Chinese of the labouring classes,"⁷⁹ this was an issue that diplomats had been loath to deal with. But with eyewitnesses attesting to addicts -- some of whom were "children of two and three years of age" -- being reduced "to a mass of decomposed and gangrenous flesh, with holes in their bodies that you could put your whole fist into"⁸⁰ and then -- having been deprived by "the operators of narcotics joints" of "the last copper of their worldly possessions" -- having their bodies "disposed of" into the river by "professional 'body dumpers',"⁸¹ the scale and severity of the problem had reached a point where, even from a non-Chinese perspective, total immunization had become impossible.

The situation within the British Concession was an example of this. There is no evidence to show that the scale of narcotics' manufacture and consumption in this area was comparable to what was happening in the Japanese Concession a few miles upstream. But the constant flow of dead addicts floating down the river from the Japanese area,⁸² together with substantial amounts of drugs peddled on the British bund -- necessitating "two or three (police) raids a night"⁸³ -- were constant reminders of a growing social problem affecting all areas of Tientsin.

The British were sometimes responsible for making the situation worse. Government sources reveal that "crews of British ships" were "smuggling opium from Tientsin... on their regular runs" (9,800 taels to Weihaiwei alone between October 1938 and March 1939)⁸⁴ with neither the Concession authorities nor London doing anything to stop them. In addition, an English officer in the British Municipal Police Force later testified that undercover narcotics factories within the British Concession were illegally producing up to 50-60 lbs of morphine and 2-3 lbs of heroin a week. Three lbs of heroin was enough to provide for up to 1,000 addicts.⁸⁵

Had the commitment to "public order" on the part of the Tokyo negotiators been genuine, there would at least have been an effort to enforce existing Chinese anti-narcotics laws more strictly. In a somewhat tentative fashion, Consul Herbert offered to facilitate such action when he suggested during a meeting in Tokyo on 26 July that drug pushers arrested in the British Concession be handed over to the Japanese for interrogation and trial rather than pay the small fine to the District Court that no one believed constituted a real deterrent. But his Japanese counterpart demurred on the grounds that "those involved in such offences are minor criminals in the same league as gambling miscreants and do not constitute a problem for us" (a(hen) kyuin, tobaku

no gotoki bihanzainin ni taishite wa mochiron kore o mondai to sezu).⁸⁶

Judging from the rapid fashion in which this matter was dropped, there was a consensus between the delegations that the narcotics issue should be treated as no more than an insignificant addendum warranting the minimum of their attention. But the readiness of both sides to acquiesce in the 'disorderly' status quo that their disregard of this problem helped perpetuate and worsen was an indication of just how far the discussions at Tokyo had departed from their original brief. Making no attempt to rein in the activities of narcotics pedlars, while insisting upon the handover, expulsion or termination of employment of those suspected merely of harbouring or promulgating pro-Chinese opinions constituted perhaps the clearest proof to date that 'security' and 'public order' had become euphemisms for administrative procedures at Tientsin that were likely to benefit collaborators who were criminals at the expense of law-abiding citizens who were not.

The Draft Agreement

With Japanese and British delegates working largely hand-in-glove, it did not take long before both sides were able to draw up a draft accord. On 1 August, the Japanese Foreign Ministry declared that all outstanding 'law and

order' issues had been solved.⁸⁷ But as Minister Kato informed Craigie the following day, Tokyo was not prepared formally to sign the document until agreement on the rest of the Conference agenda had been reached. Kato also told Craigie that there would be no easing of the blockade at Tientsin until that time.⁸⁸ With the anti-British movement gaining in intensity, especially in Japan, Tokyo was putting extra pressure on the British by holding up an accord that both sides wanted implemented in a last-ditch attempt to force London into a larger agreement that would include currency and other matters.

Compared to what was said in negotiations, the text of the draft agreement was at first sight somewhat respectful of the British. In line with the periodic assurances of the Japanese delegation to the effect that Japan had "no intention of infringing British authority over the Concession" (Eikoku sokai no tokken o shingai suru ishi wa mattaku nashi),⁸⁹ British control over the Concession, together with the executive functions of the Municipal Police, was officially reconfirmed.⁹⁰ It was also agreed that the Japanese police officers to be assigned to the Concession -- a smaller contingent than originally proposed⁹¹ -- would function as plain clothes "observers" with no formal executive powers. Responsibility for media censorship, surveillance of meetings, inspection of schools, search and

seizure of prohibited materials and the arrest, incarceration, handover or expulsion of political and/or criminal suspects would -- at least in theory -- still remain with the British Municipal Police.⁹²

In reality, the document was proposing a substantial reduction in British authority. The forced dismissals of the Chinese officers from the British Municipal Police, together with the billeting of a Japanese police squad within the Concession, were the most obvious infringements of British power. A further intrusion was the new procedure laid out by the draft agreement for the handover of anti-Japanese suspects. Under the new rules, the British police would have to decide at the time of the suspect's apprehension whether to hand him/her over immediately to the de facto court, an action that would be taken if they found "evidence" at the scene of apprehension that suspect "committed a criminal offence" or that his/her "activities were directed towards terrorist acts." If there was "strong suspicion" that the suspect was "guilty of anti-Japanese terrorist activities," he/she would be handed over to the Japanese for further interrogation. If it was "merely evident" that the suspect committed an "offence" of a "minor political nature," he or she would be expelled. With no provision for detention within the British Concession beyond three to five days, the option

of internment would to all intents and purposes be eliminated.⁹³

This procedure in theory at least allowed the British authorities to retain the right to decide whether anti-Japanese suspects should be handed over or expelled. According to the revised procedures, the British Municipal Police would no longer be able to investigate violent suspects whilst in British custody, thereby preventing the British from framing their own case concerning the guilt or innocence of detainees. Although not explicitly mentioned in the draft accord, the divestiture of this important function from the British police at Tientsin seems to have been fully discussed and agreed upon in previous discussions, with Craigie saying specifically to his Japanese counterparts that the British "would not conduct a preliminary investigation of anti-Japanese terrorist suspects, but would immediately hand them over to the Japanese military authorities."⁹⁴

Another important understanding underlying the draft agreement concerned Japanese-induced confessions. In a previous meeting, Craigie apparently said that, while the British would still need corroboration of the Cheng suspects' confessions, the procedure to be adopted with reference to future cases would be 1) that Britain would accept the principle that Japanese-induced confessions constituted "evidence" sufficient to justify their handover to the local

court; and 2) that Britain would not ask for corroborating information to "validate" such confessions (wagaho wa genju naru shoko o yokyu sezu).⁹⁵ According to the new procedures, Britain would now have to transfer anyone suspected of more than 'insignificant' offences on the basis of confessions obtained by the Japanese, without any corroboration. In effect, the British authorities were being put in the position of 'rubber stamping' decisions concerning most suspects arrested within the Concession that had been made elsewhere. The notion of 'due process' had virtually disappeared.

With the agreement only in draft form, what was actually to be implemented remained to be seen. But the accord, together with the discussions leading up to it, acted as a catalyst in advancing a process that had been under way for some time. Britain retained authority over its concession, but with its powers emasculated. Japanese control over the concession became more overt, with Minister Kato at one time informing Craigie that the Japanese Army's right to "take the necessary steps" to "preserve" itself under the Arita-Craigie accord could include military penetration "inside the Concession," with "no interference on the part of the British military authorities" to be tolerated.⁹⁶ The agreement was designed to ensure that China would never again be able to derail the imposition of measures worked out

earlier in the year for the apprehension and transfer to Japanese authorities of anti-Japanese suspects within the British Concession. Finally, having the provisions in draft form meant that, if the document remained unsigned in Tokyo in the event of the other talks breaking down, they could still be implemented by officials at Tientsin after the Tokyo Conference, whether it was successfully concluded or not.⁹⁷

Chapter Nine: The Tokyo Conference (3): The Talks Break Down

In contrast to the negotiations leading up to the signing of the Arita-Craigie accord on 22 July and the draft police agreement of 4 August, talks on currency issues arising out of the situation at Tientsin -- which took place between 24 July and 18 August 1939 -- rapidly became deadlocked. Having set out Japan's position regarding prohibition of fapi, the circulation of Federal Reserve Bank currency and the right of the Provisional Government to inspect Chinese banks within the Concession, Japanese negotiators¹ were rebuffed by the British on 27 July. No major efforts were subsequently made by either side to be more compromising, with negotiators in Tokyo doing little more than awaiting receipt by the British delegation of final instructions from London about how to proceed.² Arriving on 17 August, these amounted to a refusal to soften Britain's initial position at all, resulting in the conference's permanent adjournment.

For a number of Japanese, these developments came as a shock. According to a US military attache in North China, Japanese military officers had been encouraged to "read into the (Arita-Craigie) formula a complete surrender on (Britain's) part, which now promised them all they wanted."³ For those who held such expectations, anything less than a British capitulation to Japanese demands was likely to be regarded as a hostile act. Somewhat unsurprisingly, therefore, a chain of events that has evoked increasing

interest amongst western historians as a possible example of renouncing appeasement has been portrayed in Japan as the latest act of British treachery towards the Japanese and Asia in a series of events stretching back to the onset of western imperialism in the mid-nineteenth century. But whether Britain's actions really caused the currency talks to fail, or reflected a mutual realization that compromise solutions were no longer (if ever) in either country's interest, has remained unexplored.

Putting the spotlight upon Japan rather than Britain, this chapter examines the failure of the currency talks within the context of Japan's economic position in North China, its relations with other powers and its domestic political situation. As mentioned earlier, Japan's economic situation in North China was unlikely to be decisively affected by any agreement concerning the economic conduct of a small British-controlled enclave such as the Concession at Tientsin. As the economic talks progressed, it also became apparent that a negotiated settlement risked goading a Japanese public distrustful of Britain and disappointed at Tokyo's failure to conclude a military alliance with Germany into dangerous forms of direct action, including assassinations and coups d'etat. For these reasons, it is argued that of greater significance to the breakdown of the Tokyo Conference than the hardening of Britain's position on currency -- or even the supposed toughening of American policies towards Japan that was presumed to underlie it --

was the increasing irrelevance of a negotiated solution to Japan's larger national concerns.

The Hiranuma Statement

The outcome of the economic talks was put into question less than twenty-four hours after the signing of the Arita-Craigie agreement. On 22 July, before discussions had commenced, Prime Minister Hiranuma Kiichiro convened a press conference in which he stated that the recently concluded pact amounted to a British recognition of a special relationship between Japan, Manchukuo and North China. Going on to say that British interests in China would be respected only if Britain did not undermine this relationship, Hiranuma stated that future British credits to the Chiang Kai-shek regime (Sho seiken ni taishite kore ijo kureditto o settei shite) or continuing British support of the Chinese fapi (hohei no ijisaku) -- would violate the terms of the understanding that had just been negotiated (konkai no gensoku o kettei shita ijo.. kara mite gaii riteki no koi to mirubeki de aru).⁴

Coming without warning, this statement was doubly surprising because British aid to China was so paltry. By the summer of 1939, total British assistance amounted to a five million pound donation made in March of that year to a fund managed by a consortium of Chinese and British banks to uphold the value of the Chinese national currency⁵ and a three million pound pledge for an export guarantee facility

for the purchase of British goods by China -- of which only about 140,000 pounds had been used by July.⁶ This was not much more than about one-tenth of the assistance provided China by the Soviet Union, which in the previous eighteen months had advanced three credits worth a total of 250 million (US) dollars.⁷

There were also few indications that Britain wanted to raise these aid levels in the future. The currency stabilization fund was a modest and belated attempt to support the fapi that had been so poorly administered that its assets had almost completely disappeared as a result of a badly planned effort to preserve China's currency in June. When in early July the Chinese government requested an extra British donation of between five and ten million pounds, Whitehall said that it would be "very difficult to give further support" to the fund and that the extent ^{to which} Britain would "give any help to China" would depend on whether "the Chinese government" would appease Japan by "refraining from giving too much publicity in connexion with (British) assistance." This meant that an agreement that stood to benefit Britain by providing Chinese underwriting for British government guarantees for money raised in London for the export of British goods to China might also have "to be deferred."⁸

Had Tokyo really wanted an economic agreement with Britain, these issues would probably have been discussed in private by the two countries prior to the Hiranuma press

conference. But as the British Ambassador -- who did not even know about the existence of the export credit facility until the end of July -- pointed out, this was not done. Instead, the activities of what had become a moribund financial institution (the Anglo-Chinese fapi stabilization fund) and a modest and virtually dormant credit mechanism were now being described by Japan as "obstructive" "acts or causes" beneficial to the "enemy" that the Arita-Craigie agreement had authorized Japanese forces to "suppress or remove" at will.

Like the Tientsin currency questions, neither of these issues had much relevance to the creation of a viable Japanese financial position in China. Furthermore, as was indicated by Whitehall's unsympathetic reaction to Chinese requests for more substantive aid, these were issues that the British government in serious talks might have been willing to settle largely on Japanese terms. Yet by proclaiming out-of-the-blue that these questions would be viewed as an acid-test of British sincerity in implementing the principles of the Arita-Craigie accord, Japan seemed to be putting Britain in a position where it had either to incur international opprobrium by complying with Japanese demands or break off negotiations entirely.

Although some within the Japanese government thought that Britain might give in even under these conditions,⁹ putting the British on the spot in this fashion raised the question whether Japan's interest in obtaining an agreement

was superseded by a desire to eliminate the possibility that a compromise solution could ever be found. The British had been informed before the conclusion of the Arita-Craigie accord that the Japanese government had accepted the North China Army's contention that all its demands over Tientsin were dictated by considerations of military security that could not be changed. With the 22 July Hiranuma statement, it seemed that a negotiated settlement on any economic issue to do with China had become as much anathema to Tokyo as it was to the military authorities that the British Ambassador and his colleagues had hoped that Tokyo's so-called "moderates" would hold in check.

Denunciation of the United States-Japan Trade Treaty

Four days after the Hiranuma declaration, another development far away from Tientsin occurred that would also have an impact on the course of the Tokyo talks. On 26 July, the United States informed Japan that their 1911 Treaty of Commerce and Navigation "contains provisions which need new consideration." This convention, which had replaced earlier "unequal" accords on tariffs, trade, consular representation and navigational rights with an agreement granting both countries Most Favoured Nation trade status, was as a result of "new developments", no longer deemed to be adequately "safeguarding and promoting American interests." As specified by the treaty, the 1911 agreement would therefore "expire six months from this date."¹⁰

Issued only two days after publication of the Arita-Craigie accord, the US treaty abrogation notice seemed timed to reflect American displeasure over the course of "Anglo-Japanese conversations" on Tientsin. The American public had been made restive by press reports about Americans and other Westerners being stripped, beaten and discriminated against in various other ways at Tientsin and elsewhere in China.¹¹ By not defining what the "new developments" prompting the abrogation declaration really were, it was possible for the administration to give the impression that Washington was concerned about Japan's promotion of anti-Western sentiment in China¹² and that it recognized that more forceful counter-measures needed to be taken.¹³

The extent to which such considerations really determined Washington's action was, however, debatable. The 26 July treaty termination notice came as a bolt from the blue from a country that had previously been extremely reluctant even to threaten economic sanctions against Japan. For over two years, the US administration had offered little more than diplomatic protests to numerous measures designed to keep US and other western interests out of China.¹⁴ These included withdrawing berthing facilities at Chinese ports, denying access to inland transportation, setting up monopoly development companies, encouraging smuggling, issuing fraudulent puppet currencies, attacking expatriate western enterprises and their Chinese employees and imposing exchange control regulations in North China -- an action

that, by forcing foreign trade to be conducted through Japanese-controlled banks in puppet FRB currency at an inflated "official" rate, impoverished the region by "reducing" American and other "non-Japanese trade" "to an extremely low level".¹⁵

There were numerous reasons for Washington's inaction. But crucial to this phenomenon were three related developments: expanding US-Japan trade ties; bilateral trade balances heavily in the United States' favour; and the creation of a network of influential US economic interests opposed to the imposition of any trade sanction upon Japan. In other words, Japan's invasion of China had produced such a vast and expanding Japanese dependency upon US energy and heavy metals' supplies -- by one estimate, the United States was providing over 50% of Japanese war materials¹⁶ -- that influential sectors of the US economy were profiting enormously from the same Japanese military expansion into Asia that the US government was professing to oppose.

The United States remained committed by multi-lateral treaties to the goals of free trade, the Open Door and Chinese national sovereignty. But in areas such as North China, a region in which (unlike Japan) America never had more than a minimal economic stake, implementation of such objectives had become less important than ensuring that the difficulties encountered by others would not force the United States into defending them. At Tientsin, Japanese restrictions on foreign trade and investment -- of which

America had little -- was therefore of less concern to the United States than the possibility that, by getting out of hand, the blockade of the British and French Concessions would make it more difficult for Washington to continue turning a blind eye to Japan's transgressions.

This did not mean that there was no economic tension between the two countries. For some time, the State Department had voiced disquiet over the 1911 Treaty of Commerce and Navigation because its Most Favoured Nation (MFN) clause applied only to goods and services entering and leaving American and Japanese ports and left "the broader obligation of general commercial Most Favoured Nation treatment undefined." The United States, therefore, was "prevented.. from taking various actions such as export embargoes or tariff discrimination against Japan," whereas Japan could continue "discriminating against American trade in China" and other third countries at will.¹⁷

It was with the limited intention of removing such impediments that the US Congress decided to force the issue. On 18 July 1939, Republican Senator Arthur Vandenberg introduced a resolution into the Senate requesting that, in order "to be free to deal with Japan in the formulation of a new (trade) treaty" and better "protect American interests as new necessities may require," the administration "give Japan the six-months' notice required by the treaty of 1911 for its abrogation."¹⁸ For Vandenberg and the business interests he represented, the intention behind the

abrogation move was not the creation of conditions that would result in the imposition of trade sanctions against Japan when the treaty expired, but the signing of a more favourable trade agreement -- possibly containing provisions such as a widening of MFN to apply to US goods entering third countries such as China.¹⁹

The tabling of the Vandenberg resolution provoked a quick response from the Roosevelt administration. For some time, the State Department had been constrained by strict neutrality laws and a strongly isolationist Congress in its attempts to develop strategies to oppose "aggressor governments" by "methods short of war but stronger and more effective than mere words."²⁰ Because Japan's Most Favoured Nation trade status "constituted a technical barrier to the institution of trade reprisals against Japan,"²¹ one of the few means by which Washington could pressure Tokyo that fell "short of war" but was "stronger than mere words" was illegal so long as the US-Japan Treaty of Commerce and Navigation remained in force.

Because the United States had so much to lose by taking economic reprisals, the termination of the commerce treaty was unlikely to lead automatically to the imposition of any curbs on US-Japan trade. But in a treatyless situation, decisions as to when, how and to what extent Japan's Most Favoured Nation status would be revoked would be removed from Congress and devolve entirely upon the Executive. As a result, the Roosevelt administration was interested not in

using the threat of treaty abrogation to pressure Japan into signing a more favourable trade agreement, but to clear legal obstacles to measures such as the suspension of Treasury purchases of Japanese gold, the imposition of countervailing duties on Japanese goods and embargoes on Japanese purchases of war materials in US markets²² -- actions that, without a treaty, the Executive could take or threaten without Congressional approval.

Although surprised by this action, Tokyo quickly recognized that, had the United States been genuinely interested in "safeguarding" its economic interests, the treaty termination notice would have been preceded by numerous warnings and not taken in such a "hasty and abrupt manner."²³ But Tokyo also realized that, while this action had little to do with America wanting to confront Japan more forcefully over its policies in China, the US administration was unlikely to resubmit itself to Congressional oversight by entering into a new trade agreement -- however cooperative Japan might be.²⁴ In other words, the extent to which Japan violated or respected US interests in China had little impact in bringing about, and would have no impact in overturning, an internal political decision that would, at the expense of Congress, strengthen the hand of the Executive in relations with Japan.

Because such reprisals could include embargoes of strategic products such as oil and scrap iron, the impact of treaty termination could eventually prove serious for Japan.

According to the Finance Ministry, an embargo on these materials would be a "drastic blow" (odageki) that "would, in six months, force the Army and Navy to reduce their strength by one-third in order to keep going" and put Japan "in an impossible situation" (totei tachiyukazaru), with incalculable consequences for "the future of the China Incident" (Ni-Shi jihen no zento).²⁵ But since the actions of the Japanese military in China were irrelevant to the timing and had little to do with the cause of the abrogation notice, Tokyo knew that the imposition of US sanctions on Japan -- which could not happen until the existing agreement expired in six months, and might not occur even then -- would in no way depend upon the course of Anglo-Japanese discussions on Tientsin.²⁶

This was not, however, the way the US action was interpreted elsewhere. Looking for any sign that the United States might be leaving its isolationist perch, Chinese leaders summed up the hopes of many US allies by describing what was really little more than an opportunistic manoeuvre by the Roosevelt administration vis-à-vis Congress as a "great and illustrious action", validating China's "unswerving faith" in the American "sense of justice", that was a "decisive step" presaging a "more definite and positive attitude" by the US government "to do what is in its power to stop international lawlessness and restore peace" in Asia. The US action was also described as crucial in "relieving an exceedingly critical and dangerous

situation" precipitated by the Craigie-Arita accord by giving much "needed stimulus and support" to a British policy that would otherwise have become craven in its appeasement of Japan.²⁷

London's reaction to the US announcement was hardly less jubilant. While never greatly interested in advancing China's cause, the British government had for some time been grappling with the problem of how better to satisfy the "quite extraordinary intense emotions" generated by "indignities inflicted on whites"²⁸ at Tientsin and elsewhere in China than appeasing a group of vanishing or illusory Japanese "moderates". With Whitehall eager to capitalize on "the immense advantage that might be taken" from the US action to "stiffen its attitude in the present (Tokyo) negotiations,"²⁹ the temptation to portray the US treaty-termination notice as an international call-to-action -- a message to America's beleaguered allies in Asia that Washington had finally resolved to "help those who helped themselves" -- was overwhelming.

The hardening of Britain's position was almost immediate. In the House of Commons, Prime Minister Chamberlain declared that a "successful outcome" of the talks in Tokyo "would be extremely difficult, if not impossible" should "anti-British agitation" -- from which British negotiators had averted their eyes until the signing of the Arita-Craigie agreement -- "go on unchecked."³⁰ Meanwhile, Whitehall prepared to denounce Britain's own

commercial treaty with Japan and issue a statement that, Prime Minister Hiranuma's comments notwithstanding, the Arita-Craigie accord would not presage the end of British credits to China.³¹

Content that the treaty termination notice might galvanize other countries to mount more determined resistance to Japan than its own, Washington was unwilling to pour cold water on public speculation that US policy might be more idealistically motivated than it really was. On 2 August, the United States informed Japan that America would be "concerned" if "negotiations over the Tientsin situation" were "permitted to embrace broader questions" and that "adverse reaction" might occur if "any currency measures" were implemented as a result of the discussions.³² But with no mention of reprisals or economic sanctions being a potential consequence of US displeasure, it was not clear that the words "concern" and "adverse reaction" meant anything more than simply the negative press coverage or the kind of indifferent diplomatic "protest" that had been so unsuccessful in curbing Japanese incursions in the past.

This message did not cause much of a stir in Tokyo. All the Japanese Deputy Minister for Foreign Affairs said upon hearing the US representations was that "he assumed that the American Government had no objection to the broader aspects (of the Tientsin issues) being discussed but would object if any arrangement relating thereto were carried out without..(Washington's) prior assent."³³ By condoning

discussion of but not agreements to currency issues raised in the talks, Washington was understood to have given the Japanese government the go-ahead to do what it seems to have already decided: to use the Tokyo Conference to air differences with Britain rather than resolve them.

This was a convenient arrangement for both countries. By agreeing not to pursue compromise with Britain, Tokyo was reassuring Washington that Japan would not try to bolster its financial position in China through high-profile international agreements that might obligate countries such as America to comment publicly about problems that they would otherwise prefer to leave well alone. In Japan, where doubts had been percolating about the effectiveness of any bilateral agreement with Britain, deep-seated Anglophobia had been whipped up to such a frenzy that -- short of a British capitulation to Japanese demands -- the future of a divided administration, as well as the physical safety of its ministers, seemed to depend upon the resolve of government officials to eschew, not embrace, the idea of an agreement with the British.

Currency Circulation

Substantive discussion on economic issues relating to Tientsin began in earnest on 27 July 1939 and continued through early August. Although addressed first, the question of preventing Chinese fapi from circulating within the British Concession was dealt with in a fairly cursory

fashion. From the start, Japanese delegates had difficulty in proving that the currency's elimination from the enclave would have much of an impact in eradicating the notes elsewhere.³⁴ The British Concession had become so isolated from the rest of North China that, for those other areas in the region in which fapi was used, what the Concession authorities did or did not do had become largely irrelevant.

The Japanese tried to get round this by arguing that the British were "holding out" against a puppet currency that was otherwise successfully establishing itself.³⁵ But regardless of their questionable validity, Japanese claims about the increasing circulation of its Federal Reserve Bank currency were simply regarded by British negotiators as proof of their contention that developments in North China's currency situation depended upon what happened outside, not inside, Concession perimeters. In addition, the British were able to provide first-hand information showing that, contrary to Japanese claims, fapi was still being used in the interior and also in other extra-territorial areas³⁶ -- i.e. right under the noses of the Japanese military.

Another argument advanced by Japan was that, by using fapi, the British were responsible for a trade depression and the encouragement of smuggling.³⁷ But the precipitous drop in North China's trade started in 1937, the year of Japan's invasion of the region, and well before Japan and its puppet authorities established the Federal Reserve Bank notes. The scale of the smuggling, which was usually

transacted between North and Central China and carried on for the most part far from the British Concession, was primarily a reaction to Japanese attempts to obstruct traditional trade with non-yen bloc areas. The extent to which fapi was used in such activities was less the result of Britain's refusal to ban the notes at its Tientsin concession than a lack of confidence in Federal Reserve Bank currency, which was inadequately backed and not exchangeable on international markets.

For reasons little to do with the British Concession at Tientsin, even this, however, was beginning to change. On 17 July, the Japanese military extended exchange control regulations, first imposed on select export items in March 1939, to all exports from the region. Under this system, transactions had to be financed in Federal Reserve Bank currency purchased at its highly inflated official rate, with exporters providing verification of purchase from Japanese-approved financial institutions.³⁸ Intended to eliminate fapi in export transactions while providing extra foreign exchange backing for the puppet currency, these regulations helped ensure that the already-depreciating fapi became so depressed in value that, by August, it was trading at a discount with Federal Reserve Bank currency for the first time.³⁹

Getting exporters to buy Federal Reserve Bank notes at an inflated rate invited further contractions in North China's foreign trade, a potentially devastating development

for an area no longer self-sufficient even in food. But having abandoned economic development in favour of simply making North China less of a financial burden on Japan, occupation authorities were primarily interested in discouraging speculators from using fapi to purchase puppet notes on the black market at a discount and then exchange them for yen at their much higher official rate. By helping to push the value and circulation of fapi to a point lower even than that of its puppet counterpart, exchange control promised to be more effective in discouraging such speculation than any agreement with Britain over banning the Chinese currency within its Tientsin concession.

The widening of exchange controls was the latest in a series of unilateral actions that played a significant role in tightening Japan's grip over China. Yet, while cumulatively far-reaching, the incremental implementation of these measures -- which had included the blockade of ports and rivers, the running down of Chinese customs, Japanese-inspired smuggling and the expansion of the narcotics trade -- had meant that foreign countries were generally able to ignore them. It was perhaps no coincidence that, as efforts to 'solve' currency problems away from the negotiating table in Japan's favour seemed to be gaining ground, the strategy of using the Tokyo currency talks with Britain to air rather than resolve differences became more pronounced.

Silver Ownership

During the first week of August, as warnings from Britain, the United States and France about the adverse international impact of a ban on fapi within the British Concession reached their height, the focus of Anglo-Japanese discussions began to change. Attention shifted from the question of currency circulation to the disposal of silver stocks within the vaults of Chinese banks inside the British Concession. Because of the relatively modest value of the assets at stake, this issue -- like the proposed ban on fapi -- was marginal to a solution of the currency situation in North China.⁴⁰ But as an entirely Chinese matter, this issue could be more easily exploited by Japan because it was difficult for Britain to justify any intervention whatsoever on its part.

Exactly who should dispose of the silver deposits within extra-territorial areas in North China was a complicated question that had its origins in the creation of China's unified currency system in November 1935.⁴¹ At that time, the Bank of China and the Bank of Communications, Chinese banks which had branches within the British Concession and other foreign enclaves at Tientsin and elsewhere, were granted custody rights over the silver deposited within their vaults. Instead of being freely exchangeable and convertible as currency as was previously the case, these deposits were to form part of the reserve fund for the new paper currency, to be controlled by the Central Government's Currency Reserve Board.

This had the effect of creating two competing claims to the deposits. Since, prior to currency reform, the specie had constituted part of the area's local exchange transactions and represented the wealth and earnings of the North Chinese populace, there had always been considerable feeling within North China that the deposits belonged to North China, should remain within the area and be utilized entirely according to local needs. On the basis of this view, and in order to depress the legitimacy of the Chungking regime's claim to be the sovereign of China, Japan argued that the controlling authority over the deposits should reside with existing North China governing institutions -- i.e. the Provisional Government.⁴²

In rebutting these claims, the British attempted to subordinate historical antecedent to a concept of legal right. According to this argument, when the Tientsin branches of the Bank of China and the Bank of Communications were designated reserve depositories for the new national currency, the silver under their custody had become State property that the Chinese National Government had the authority to dispose of in whatever fashion it wished. Since the National Government remained in British eyes the legitimate governing authority over the Chinese population at Tientsin and elsewhere, Britain could not allow the deposits to be transferred out of the Concessions according to the wishes of an unaccredited regime (i.e. the Provisional Government) to what both Chungking and London

regarded as a rogue entity: the Japanese controlled Federal Reserve Bank.⁴³

There were a number of problems with this approach. The idea that currency unification gave a Southern-based regime of uncertain prospects ownership over internally-based assets in the North was debatable and always likely to generate considerable local opposition. The Nanking government, which had tried to get the Tientsin assets transferred to the custody of the Chinese central bank almost as soon as currency reform was enacted, was rebuffed in 1935 by the Hopei-Chahar Political Council, the regional ruling body in North China at that time, which refused to hand over the deposits for fear of "losing" them to the South. As a result, the Kuomintang refrained from pressing its claim further, even after Japan had invaded the region and the Hopei-Chahar Political Council had been replaced by regimes even more beholden to Japan.⁴⁴

The other problem with the British position was the assumption that its Concession authorities had the right to take any action in this matter at all. Unlike a ban on fapi, which could affect foreigners and foreign business dealings, the transfer of Chinese assets from one Chinese banking institution to another was an internal matter in which British interests were not involved. Although Britain did not claim to have an a priori right to intervene in Chinese affairs, it did argue that it had an obligation to ensure that the will of the legal sovereign be executed. But this

argument had been severely undermined by Britain's decision to act in another internal matter -- handing over Chinese criminal suspects within its Concession -- according to the dictates of local puppet authorities against the wishes of the accredited government in Chungking.⁴⁵

By raising questions about the legality of British actions in China, this issue put Britain in a vulnerable situation. Thwarting the will of the legal sovereign by handing over criminal suspects to the puppet regime, while refusing to let the same puppet regime transfer local silver deposits inside the Concession to a place of its choosing, betrayed an inconsistency in application of what even Britain believed to be its legitimate extra-territorial functions. Insupportable according to any reading of extra-territoriality, the contradictory nature of such actions invited the charge of unwarranted interference in China's internal affairs and gave would-be Chinese as well as Japanese critics opportunity for castigating the British on the grounds of hypocrisy.

The precarious nature of Britain's position was not lost upon British negotiators. Realizing as a result of the findings of a joint-subcommittee that there was "some doubt" as to "the strength of the Chinese National Government's title" to the silver, Ambassador Craigie warned London that the British Municipal Council at Tientsin had "no locus standi for forcibly preventing transfer" of the silver if it were "done by legal process or voluntary arrangement."⁴⁶

With Japanese delegates threatening to get the Tientsin District Court to issue an order for the transfer of the silver, Craigie was anxious to avoid the situation whereby Britain, having agreed to execute District Court warrants for the handover of Chinese criminal suspects, would not obey Court orders concerning another issue in which British interests were equally uninvolved.⁴⁷

Japan was quick to exploit the British dilemma. On 3 August, Ambassador Kato informed Craigie that Britain's "over-legalistic" support of China's National Government's claim to the silver amounted to no more than a specious attempt to uphold the non-existent powers of a regime that had long lost all "physical means of disposing" of the specie. Arguing that any Chinese Government "faculty to influence" the matter had "lapsed since 1935," Kato warned Craigie that Britain's continuing adherence to a "mistaken conception" of its "legal rights and obligations" would lead to "inadmissible obstruct(ion)" in an "area where Chinese residents were under the jurisdiction of Chinese law". He further argued that, by opening Britain to "the charge of partiality" from Japan and "the people of North China who genuinely regarded the silver as their property", such action would give both Japanese and Chinese anti-British activists "the very ammunition they required" to continue their protests.⁴⁸

With no discernible increase of anti-British activity in China, these warnings seemed overblown. Concentrated

mainly in Peking (Headquarters of the North China Army), demonstrations in other areas were, according to British consular reports, small-scale (usually in the 100s and never more than 5,000), intermittent and haphazard, with only two reported incidents at Tientsin from the start of the Tokyo Conference until at least October.⁴⁹ Nor did Britain's position over the silver seem particularly objectionable from a Chinese point-of-view. Regardless of the merits of the Chinese National Government's claim to the silver in question, at issue was not the transfer of such assets out of North China, but whether they should be sent to Peking. There was little if any indication from non-Japanese sources that Britain's desire to keep the silver within its Concession at Tientsin as opposed to sending it to the Peking-based puppet regime was out of accord with local sentiment. If, therefore, there was anything that could have served as a catalyst in turning the small-scale, Japanese inspired side-shows that passed for an anti-British movement in North China into anything more genuine or substantial, this issue was not it.

Within Japan, however, the situation was quite different. Years of ultranationalist activity and popular distrust of Britain had ensured that, amongst the Japanese public, the anti-British movement had become not simply a creation of Japan's leaders but a mass force, acting with considerable autonomy, that politicians ignored at their peril. A summer of massive popular demonstrations against

Britain had culminated in July in assassination attempts on suspected "pro-British" ministers and the uncovering of plans to overthrow the government.⁵⁰ In an atmosphere of such Anglophobia, little corroboration was needed for allegations that Britain was illegally interfering in China, overstepping the bounds of extra-territoriality, promoting the claims of a bogus government, or seeking to use the Tokyo Conference to engineer the involvement of Third Powers on Britain's side to gain sufficient political momentum to make a breakdown in negotiations inevitable.

The Anti-British Movement and Relations with Germany

Britain had hoped that the signing of the Arita-Craigie agreement would have calmed the political environment within Japan sufficiently for both countries to enter into the next phase of the Tokyo Conference in a spirit of give-and-take.⁵¹ But this did not happen. Contrary to such expectations, the signing of an agreement during the Tokyo Conference seemed to reinvigorate anti-British activists, with perhaps as many as one million people taking part in rallies, demonstrations, poster campaigns, xenophobic newspaper editorials and other manifestations of organized Anglophobia, including monster meetings of up to 150,000 between 31 July and 16 August.⁵² By early August, according to a police official, the movement had "spread throughout the country" with such rapidity that it had become "extremely difficult to rein in" (haiei undo wa zenkokuteki

ni okonaware kore ga torishimari kankyu ni kushin o haraitari).⁵³

In another worrisome development for Britain, the demands of the anti-British movement seemed to be virtually as uncompromising as ever. The Arita-Craigie accord had engendered a certain willingness to "subject" the discussions in Tokyo "to careful scrutiny" (nao jubun kaidan o kanshi suru o yosu) rather than sabotage them entirely, with certain ultra-rightist youth leagues declaring that the agreement had actually produced "partial British concessions." There was also a decline in the number of plots and assassination attempts upon suspected supporters of the Tokyo talks. But this only seemed to promote a growing confidence that the traditional agenda of Anglophobe zealots -- "the complete expulsion of British influence from China" -- could be engineered by diplomatic rather than military means.⁵⁴ In addition, it became clear that any move away from violence could result in the elimination of those obstacles -- in particular the need for secrecy and the possibility of a police backlash -- which had prevented the anti-British movement from becoming even bigger than it already was.

What were clearly uncondusive conditions for the finding of middle ground in negotiations over Tientsin were further complicated by growing popular pressure -- often from groups particularly vociferous in their opposition to Britain -- for a military alliance with Germany. In the

words of a colonel in the War Ministry, "the success of the anti-British movement" in bringing about "encouraging developments in the Anglo-Japanese talks" had actually "galvanized public demonstrations in favour of a military alliance with Germany and Italy."⁵⁵ By the end of July, the combined efforts of anti-British organizations, junior military officers and other ultranationalist groups had created, according to the Army Deputy Chief of Staff, "such an acutely radicalized situation" (seneika shi kitaru moyo nari) that the government would have to reopen discussions with Germany for "the conclusion of an anti-communist alliance", whether it wanted to or not (zehi hikyo teiketsu o hitsuyo to suru).⁵⁶

In principle, the Japanese government -- already the signatory with Germany of an anti-comintern pact -- was supportive of upgrading bilateral relations to the level of a military alliance. But negotiations between the two countries for the conclusion of such an agreement had been broken off in early June because the Hiranuma administration was unwilling to commit Japan to an alliance that incurred an automatic military obligation to its Axis partners in the event of a conflict between those countries and powers other than the Soviet Union.⁵⁷ Because Berlin was unprepared to conclude an agreement solely directed against the Soviet Union, Japan remained diplomatically isolated and unable to count upon even German support should the Japanese themselves become embroiled in war.

Japan's diplomatic isolation did not put the country in imminent danger of being attacked by another power. But without the certainty of foreign military assistance, managing conflicts with other countries on the Asian subcontinent forced the Japanese Army to put a greater amount of reliance than it might otherwise have been prepared to invest in diplomatic rather than military solutions. The blockade of the British and French Concessions at Tientsin was an example of a conflict that was not expected to get out of hand. But for the Japanese Army to compromise its field autonomy threatened in other situations to be both humiliating and ineffectual.

This was particularly the case with the widening military clashes between Japanese and Soviet forces on the Manchurian-Mongolian border near Nomonhan. Military setbacks incurred largely as a result of Kwantung Army chauvinism from the end of May and outright disobedience of General Staff orders to limit the fighting in late-June⁵⁸ had forced the Army Minister in Cabinet to seek non-military means of solving the dispute. But after receiving a tirade from the Navy Minister for "starting the incident behind the Cabinet's back, only to ask for help once the military had bungled in the field",⁵⁹ Army Minister Itagaki had to endure the further embarrassment of being informed by the Foreign Minister, who had agreed on 18 July to seek a negotiated settlement, that any attempt to solve the problem "by

diplomatic means would in the present circumstances be extremely difficult".⁶⁰

Relying upon the Foreign Ministry for something that it was unable to provide paved the way for the Soviet Union in late-August to inflict such a massive defeat upon Kwantung Army forces that the Japanese would have no alternative but to sue for a negotiated settlement upon Soviet terms.⁶¹ While no one suspected such an outcome for Japanese troops when economic discussions over Tientsin were at their most intense (i.e. between 27 July and 8 August), it was becoming apparent even at the end of July that the alternative to an alliance with Germany was the unprepossessing option of subjecting military matters to the scrutiny of an unpopular Cabinet riven by "personal antagonism, jealousy, and group rivalry".⁶² As a result, middle-level officers within the War Ministry, some of whom were suspected of renewing links to ultranationalist demagogues and coup plotters, started openly calling for the War Minister to resign unless Tokyo and Berlin concluded an offensive and defensive military alliance as Germany had demanded.⁶³

In his 22 July press statement 'outlawing' British aid to China, the Prime Minister went out of his way to assure the public that the continuation of the Tokyo Conference did not denote any diminution of government resolve in concluding a military alliance with Germany.⁶⁴ That the Japanese public was willing to countenance prolonging Anglo-Japanese discussions when prospects for their overriding

objective of an alliance with Germany had become uncertain indicated that, contrary to Craigie's initial hopes, negotiations with Britain had become too superfluous to be considered seriously as a counterweight or alternative to any Japanese-German rapprochement. Instead, the fate of the Tokyo Conference had become dependent upon the Hiranuma government's ability to accomplish the seemingly ever more contradictory political goals of ensuring its survival, preserving Cabinet support for the "moderate" option of an anti-Soviet rather than an unrestricted military alliance with Germany and containing the popular hostility that such a stand was likely to engender.

Anti-Communist Pact or Unlimited Alliance?

Although negotiations between Japan and Germany for the conclusion of a military alliance had started in 1938, conversations had broken down in early-June 1939 when the entire Japanese government, including the Army, agreed that Berlin's insistence on a treaty that went beyond "strengthened anti-Communism" (bokyo kyoka) made the conclusion of a wider agreement impossible. Germany responded by breaking off talks, an action that gave the impression in Japan that the main responsibility for the failure to conclude a treaty lay with Berlin, not Tokyo.⁶⁵

There were, however, unresolved problems with Japan's position which indicated that the government was less united than it may have seemed. From the start of negotiations,

Japan had stressed the importance of not having to offer military assistance to its allies in the event of their involvement in a conflict with countries other than the Soviet Union. But whereas in June, Japan defined its non-commitment in terms of the "impossibility" of ever providing "military assistance" in a conflict in which the Soviet Union was not a protagonist,⁶⁶ in January, the official position was that, "even if the Soviet Union is not involved", Japan would nevertheless have "an obligation" "to consult and reach agreement concerning military assistance" (i.e. that such an eventuality could conceivably occur).⁶⁷ The draft treaty itself only called for "aid and assistance" from Japan in a conflict between Japan's Axis partners and other non-communist powers.⁶⁸ But since "aid and assistance" did not necessarily mean military involvement, even the need to have an accompanying secret agreement clarifying the limits of Japan's military obligations was not clear.

Reflecting less "a coolly calculated diplomacy of national interest"⁶⁹ than a poorly patched-up compromise between the sharply differing views of the War and Navy Ministries, the government's position on the treaty question did not command unified support for very long. In only a matter of weeks, growing Army discontent at Japan's military isolation and increasing popular pressure in the wake of the anti-British movement during June and July for a revival of military talks with Germany helped create a domestic situation of such turbulence that a new initiative on the

alliance question had become a security as well as a political imperative. In such conditions, the government -- which had already been the target of coup plotters and whose members had been the object of assassination attempts -- was in no position to risk antagonizing the public further simply in order to preserve a makeshift decision made in early June to pursue one type of alliance with Germany but oppose another.

Two developments reinforced the determination of the pro-alliance proponents. The first was in late July when the Japanese Ambassador in Berlin was informed that Germany was giving Japan no more than a month to make an up-or-down decision about whether to sign a treaty or not, without a secret text of Japanese obligations and disclaimers.⁷⁰ The second was a statement by the Chief Secretary of the German Navy Ministry to the Japanese Naval Attache in early August that "in a conflict between Germany and Italy on the one hand and France and Britain on the other, it would probably be sufficient for Japan to display no more than an attitude of friendly neutrality towards us."⁷¹ Since the treaty draft made no specific mention of military co-operation,⁷² it was possible that, as the Chief Secretary had indicated, Berlin was less concerned with the absence of Japanese military backup than the loss of ~~repute~~^{credibility} that would accompany the discovery of a secret document stating unequivocally that such assistance would never be given.

In the tense political atmosphere within Japan, this was enough to get the Army to reconsider its position. On 3 August, the War Minister, the Chief of the General Staff and the Inspector General of Military Education agreed that the Army would press for the immediate conclusion of an alliance with Germany and be prepared to drop the idea of a secret agreement if Berlin still feared the results of inadvertent public disclosure.⁷³ After assuring his colleagues that he would resign if these terms were not met, the War Minister informed the Five-Minister Conference on 8 August that "changing political conditions" (especially events at Nomonhan and Washington's declaration of intent to end the US-Japan trade treaty) "had now made an offensive and defensive alliance with Germany an absolute necessity" and that Japan should be willing to give up its insistence upon a secret qualifying agreement.⁷⁴

To prevent the War Minister's resignation, the issue was put off until a future Five-Ministers Conference.⁷⁵ But fears of reprisals from the United States provoked the implacable opposition of the Navy and Finance Ministers to an offensive and defensive alliance,⁷⁶ with only the War Minister prepared to drop the idea of a secret agreement limiting Japanese liability. Relations between the War Minister and his Cabinet colleagues had already been severely strained with the uncovering of information in late-July suggesting that the supposedly Anglophile Home Minister Kido Koichi had been the target of an Army-inspired

assassination plot.⁷⁷ With the Navy Minister indicating on 18 and 26 July that he would resign if the government accepted Army demands,⁷⁸ the Army's insistence upon coming to an unconditional alliance with Germany had brought the Cabinet to the edge of an abyss with all escape routes blocked. On 10 August, Itagaki wrote that "the situation is so critical that the Army Minister will not hesitate to resign as a final measure" and predicted that the impact of this upon an enflamed public opinion and the souped-up chauvinism of younger army officers would be to "strengthen the foundation in Japan" for such a pact in the future.⁷⁹

This situation did not bode well for a successful outcome to the Tokyo Conference. The Cabinet had become so dysfunctional that the reopening of the alliance issue was not a prescription for closer ties with Germany, but a catalyst for setting in motion a chain of events that would make the Hiranuma administration's downfall a virtual certainty. With its continuing inability to satisfy the popular desire for an alliance with Germany, the government -- which remained weak, divided and unpopular -- was put increasingly in a position where it had less to lose by letting the Tokyo Conference break up in deadlock than by risking public order, political stability and the physical safety of its ministers in concluding an agreement with a distrusted rival. In the absence of an alliance with Germany, such an agreement (whatever its content) was likely

to be criticized as a "sell-out" of Japan's national interests.

Japan's final position on Tientsin

As prospects for an alliance with Germany dimmed, chances for a successful conclusion to the Tokyo Conference grew slimmer. But intercepted telegrams between America and Japan,⁸⁰ as well as Britain's public reaction to the US notice of intent to abrogate its Commerce Treaty with Japan, indicated that the British government -- largely as a result of its somewhat ill-conceived attempt to curry US favour -- was also preparing to harden its negotiating position. Therefore, although domestic pressures upon the Japanese government meant that it had lost virtually all interest in a negotiated solution to the conference, London's proclamation of its own intransigence conveniently offered Tokyo an opportunity to heap upon its rival most of the blame for the eventual breakdown in talks that the Japanese were already planning for.

In what seems to have been an attempt to outmanoeuvre the British, Minister Kato made a pro forma compromise offer to Ambassador Craigie in a conversation on 2 August. In an off-the-record meeting that could be disavowed in the unlikely event of a positive British response, the Japanese envoy expressed his "personal feeling" that, should Britain meet Japanese demands concerning the export of silver deposits from its Concession at Tientsin, Japan would

reciprocate by being "flexible" in allowing Chinese fapi to continue to circulate within the enclave. With nothing in Japanese sources to indicate foreknowledge or approval of this action by the Minister's superiors, the sincerity of the offer was further brought into question by the dogmatism of Ambassador Kato's anti-British statements on this very issue in a meeting with his British counterpart only three days earlier.⁸¹

At about the same time this offer was made, an order was issued from the Japanese-controlled Tientsin District Court for the transfer of the silver deposits within the British Concession to the North China government's central bank.⁸² As Ambassador Craigie had feared, this put Britain in an awkward position. Should its Tientsin authorities ignore the order, the British government would be obstructing the ruling of a Chinese court over a purely domestic problem -- something well beyond the scope of Britain's extra-territorial mandate. It was true that the order of the Tientsin District Court -- an entity not recognized by the Chinese National Government -- was contrary to the will of the Kuomintang-controlled Supreme Court. But if Britain intervened on this basis, it would be in the position of supporting the judicial arm of a government that had never been able to impose its authority on North China, whose will the British Concession authorities had in fact already disregarded by obeying

Tientsin District Court orders to hand over Chinese criminal suspects.⁸³

In addition to these developments, there was a marked intensification of Japanese criticism concerning the question of British aid to China. At the beginning of August, the British government, in response to a question in Parliament, had been forced to admit the existence of a modest credit guarantee facility for British exporters to China along "lines of agreements made with other foreign governments" (i.e. China was not a special case), but that Whitehall's failure to resolve "certain technical and legal questions" (i.e. fear of Japanese reaction) resulted in no guarantees for exports to China actually being made.⁸⁴ What therefore amounted to a statement that the British were not engaged in offering assistance to China -- and it could be argued that such export guarantees would in any event have amounted to aid for British exporters, not China -- was transformed by the hothouse political environment in Japan into "evidence" of Britain's supposed desire to "violate the spirit of the Arita-Craigie agreement" by providing the means for such assistance to continue.⁸⁵

Utilizing public anger towards Britain over the China aid issue, Minister Kato tried to pressure the British into accepting Japanese terms on Tientsin. In a meeting with Craigie on 2 August, Kato stressed that the public distrust engendered as a result of recent publicity about Britain's export promotion fund to China had become so intense that

simply the continuing lack of an agreement between Japan and Britain over the export of silver from Tientsin would have the effect of "inflaming public opinion" and stimulating the anti-British movement in Japan and China to dangerously new heights.⁸⁶ Alluding to the limited time the North China Army representatives of the Japanese delegation could remain in Tokyo, Kato informed his British counterpart a few days later that public "speculation as to Britain's real intentions" towards the economic situation in China had grown to such proportions that an immediate settlement (i.e. in no more than one more meeting) of economic differences between the two countries over Tientsin had become the only way of saving the Tokyo Conference from collapse.⁸⁷

With public anti-British sentiment reaching new heights in Japan, Kato's warnings had a significant impact upon the British Ambassador. As recently as 29 July, Ambassador Craigie had described Japan's proposal for the handover of silver deposits within the British Concession as an "unjust and illegal action" "unconducive to peace and order" in Japan or China, which could have better been improved "had the people (of both countries) been told the truth instead of exaggerated stories about the sum involved and alleged obstruction by British authorities."⁸⁸ But anti-British demonstrations in Tokyo and Kobe (100,000 and 150,000) on 31 July and 6 August, as well as a rally in front of the British Embassy on 7 August, coincided with statements from Craigie (on 12 August) that a refusal to implement the

Tientsin District Court order to hand over the silver in the British Concession would constitute a "breach of Chinese laws" and could be interpreted as a violation of the Arita-Craigie agreement's commitment to uphold public order in China.⁸⁹

Partly a response to the findings of the joint-subcommittee into the silver ownership issue at the beginning of August,⁹⁰ Craigie's change-of-heart did not simply represent a cave-in to popular pressure. But since mid-July, the British envoy had ^{become} extremely worried about its impact.⁹¹ With anti-British activities continuing unabated after the Arita-Craigie accord was signed, it is likely that the British Ambassador embraced the option of making economic concessions less because of any new-found doubts about Kuomintang ownership rights over silver stocks within the British Concession than a desire to avoid further public antagonism by "playing into the hands of those" who want "to bring the negotiations to naught."⁹²

The growing elusiveness of compromise

Largely because it was unclear whether there was anyone in Japan who wanted the negotiations to succeed, Craigie's arguments were viewed with increasing scepticism in London. Declaring that it was "open to serious doubt whether we (had) any really useful friends in Japan," Commercial Counsellor Sir George Sansom argued in a 2 August memorandum to the Far Eastern Department that Anglo-Japanese

differences -- the solution of which would in his opinion involve the renegotiation of post-war treaties and an easing of restrictions upon Japanese trade with the British Empire -- had become too fundamental for any major improvements in relations to be expected simply by "making concessions on minor points." On this basis, Sansom warned that any compromise with Japan over Tientsin was less likely to diminish the atmosphere of mutual distrust than confirm the belief of "the (anti-British) forces now dominant" in the country that they could take from Britain by agreement what they would otherwise have to obtain by force.⁹³

Whether the Foreign Office completely agreed with Sansom's gloomy assessment is unclear. But unwilling in any event to take the major steps that Sansom believed necessary to improve relations, the British government had decided -- rightly or wrongly -- that Washington's recent decision to abrogate its commerce treaty with Japan represented the dawning of a new US resolve to support those who stood firm in opposing Japanese transgressions. In this situation, Sansom's warnings about small-scale concessions serving as a stepping-stone towards the goal held by "all Japanese" of a "New Order in Asia" -- the implementation of which he believed would involve "the ultimate displacement of Great Britain in the Far East"⁹⁴ -- provided political justification for a no-compromise strategy with Japan that London had already decided upon.

As evidence of this change-of-tack, a high-level interdepartmental meeting on 31 July decided that the "prospects for settling any.. differences with Japan" were so dim that it might actually be beneficial "to force a rupture" on British terms.⁹⁵ A few days later, the Cabinet agreed to denounce the 1911 Anglo-Japanese Commercial Treaty should "negotiations at Tokyo.. render this step desirable."⁹⁶ The decision to refrain from issuing an immediate denunciation was not intended to bolster Craigie's hand in negotiations on Tientsin so much as to prevent Japan from subsequently using this action to blame Britain for sabotaging the talks. With London interested in persuading "other British subjects besides those from the United Kingdom" that Japan's "anti-British agitation (in China)" was directed against them as well, postponing a formal denunciation would also provide more time for Whitehall to portray a Japanese-inspired movement of only limited success as sufficiently threatening to White-Controlled Asia for a "simultaneous denunciation of other Japanese commercial treaties or *modi vivendi*.. in force with various Dominions and India" to be triggered once the treaty was abrogated.⁹⁷

Any hopes that London was interested in preventing the breakdown of the Tokyo Conference were all but dashed on 10 August. Responding to the idea of a fapi-for-silver compromise by implying that the issue should not even have been an item of discussion, Whitehall informed Craigie that it was consulting with other powers about the situation,

that its final instructions would take some time and that Japan must meanwhile curtail its anti-British agitation.⁹⁸ This was followed by telegrams on 15 and 17 August in which Craigie was informed that the British Government would refuse to execute the order of the Tientsin District Court to hand over the silver within the British Concession and that there was "no compromise which we can propose" upon this issue.⁹⁹

Incensed by what he termed "the Far Eastern Department's apparent Bourbon-like inability to learn anything from past events,"¹⁰⁰ the British envoy responded that a refusal to negotiate pending the cessation of anti-British activities "would play straight into the hands of those who are fomenting agitation with the object of bringing negotiations to nought."¹⁰¹ Craigie was concerned that London's opposition to the extradition of silver from the British Concession at Tientsin could be construed as based upon "purely political and unsound legal grounds."¹⁰² He therefore warned London that what would be portrayed in Japan as a violation of Britain's extra-territorial status would also strengthen the position of those "opposed to any agreement with Great Britain -- good bad or indifferent."¹⁰³

To defend the government against the charge of Anglophilia, the Japanese delegation was by this stage probably as keen as Craigie to curtail any opportunity for agitators to use the lingering stalemate in Tokyo to heighten suspicion of British motives. But the high level of

public anti-British rhetoric had less to do with Anglo-Japanese differences over Tientsin than popular frustration over Tokyo's inability to conclude an alliance with Germany. By threatening the government with the stigma of being "pro-British", agitators were using Britain's resistance to Japanese demands to further a political agenda that had nothing to do with Tientsin. Whether such popular unrest would subside depended -- contrary to Craigie's belief -- not on Britain's willingness to compromise in Tokyo, but either on the conclusion of an alliance with Germany, which was something the British had assumed that the talks on Tientsin were meant to prevent, or a change in the international situation that would make such a goal no longer an overriding popular priority.

Aware of Britain's incapacity to influence events in Japan, Whitehall instructed Ambassador Craigie to play for time while it formulated final instructions upon how to handle Japanese demands.¹⁰⁴ With his strategy for improving relations with Japan in tatters, the British envoy tried to make the best of a bad situation by pointing out to the Japanese that their own actions (such as currency controls, blockade of the ports and efforts to diminish Chinese exports) had been much more successful in undermining Chinese fapi than anything that could be expected from an agreement with Britain to export silver from its Tientsin Concession.¹⁰⁵ Craigie also urged Japan to make use of the time it would take for London's final instructions to arrive

by signing the already-negotiated police agreement authorizing the Cheng suspects' handover, while clamping down on anti-British agitation in China and loosening the blockade of the Concessions at Tientsin.¹⁰⁶

With Japan uninterested in any British compromise, these efforts were predictably ineffective. Making no pretence even of wanting to improve Japan's regional economic position, Ambassador Kato bluntly informed Craigie that the main reason for getting the silver transferred from the British Concession was not to strengthen puppet government currency but to undermine the political credibility of the Kuomintang.¹⁰⁷ Asserting that the interest of other Powers in the Tokyo Conference was "minimal" (*hikakuteki kei*), the Ambassador also declared that Washington's denunciation of the US-Japan Commerce Treaty was an "internal matter", denoting (as Craigie himself felt) no heightened US desire to support those who opposed Japan, or even to downgrade US-Japanese relations at all.¹⁰⁸ In a final snub, the plenipotentiary said that Japan could do nothing to rein in anti-British agitation -- including the spluttering, army-sponsored movement in North China¹⁰⁹ -- and asserted that the public would "smell a rat" (*Eikoku no sei no ketsujo o kocho shi*) if a police agreement were signed separately.¹¹⁰

More bad news for the British delegation was to follow. On 15 August, a Japanese wire service reported that London's final instructions to its delegation in Tokyo "would be so

sincere as to assure a satisfactory solution of both police and economic questions." As the latest of "many leaks from the Japanese side", this induced an angry complaint from Craigie that Japanese negotiators were attempting to influence the public by "giving away confidential information."¹¹¹ But because all insiders to the talks by then knew that London's final instructions were extremely unlikely to satisfy Japan, of real concern to the British envoy was not simply the leaking of confidential information, but the deliberate stoking of unreasonable expectations through propagating false rumours. In this way, the public anger that was likely to occur once London's position did become known could be focused more sharply on Britain than might otherwise have been the case.

The extent of government involvement in this disinformation campaign is unclear. But in addition to knowing by this time that Britain was highly unlikely to accept Japan's terms, the Hiranuma administration faced the near-certain prospect that the War Minister would resign at the next Five-Minister Conference over the Cabinet's failure to agree to a military alliance with Germany. The day after publication of the misleading report of British intentions, there was a large anti-British rally of about 35,000 demonstrators in Yokohama, just outside Tokyo.¹¹² To prevent such discontent from being channelled into more violent protest should the Army Minister resign, it had become vital for a government already distrusted as a result of its

supposedly Anglophile leanings to wind up the Tokyo Conference immediately with the blame for its failure squarely on British shoulders.

The Suspension of the Tokyo Conference

Needing to decide simply upon how to exit the negotiations, Japan had its task made easier with the receipt of Whitehall's final policy position on 18 August. Going so far as to declare that no discussion of Japan's "economic proposals" could "lead to any useful result",¹¹³ the communiqué stated that "agreement between His Majesty's Government and the Japanese Government alone was impossible." Since the beginning of August, London had asked Tokyo for extra time to formulate its position so that it could consult with Washington and Paris. But according to Britain's 18 August statement, a settlement on Tientsin was now not just dependent upon prior consultation with key allies such as the Americans and French, but the active "contribution" of all Nine Power Treaty signatories.¹¹⁴

In addition to dismissing Japanese demands, this statement rejected the basis upon which both countries had agreed that negotiations should proceed. At the end of June, London had authorized its envoy in Japan to open bilateral talks in Tokyo about all aspects of the situation at Tientsin. As Ambassador Craigie made clear at the time, these involved economic matters. Both countries then agreed to a schedule of negotiations that included economic talks

between the two countries once a general statement of 'principles' had been signed. It was clearly understood that there would be no other parties to the discussions and that -- with the exception of China (which diplomatically did not seem to count) -- no other country wanted to be involved in them. In light of these developments, declaring that an agreement on Tientsin could not be obtained by Britain and Japan alone implied that the fate of the Tokyo Conference depended upon an input from Third Parties that countries such as the United States had been at pains to eschew.

Insult was added to injury as far as the Japanese were concerned by Britain's unexpected reference to the Nine Power Treaty, the 1922 multilateral pact upholding the sovereignty and territorial integrity of China. In October 1938, the Japanese government had declared the precepts of this agreement no longer 'relevant' to the actual situation in East Asia, where there was supposedly a 'New Order' in which Japan had pre-eminent rights of domination and exploitation.¹¹⁵ Britain -- which like many other powers had yet to relinquish the privileges and concessions it had wrung from the Chinese over the years -- had responded to this statement by saying (14 January 1939) that it also did not regard the Nine Power Treaty as "eternal" and that it would be willing to listen to any "constructive" suggestions that Japan had to make.¹¹⁶

Because the ending of such a covenant would have involved an international conference, neither country

formally entered into negotiations to scrap the pact. But the Japanese realized that agreeing in discussions such as those over Tientsin that local Japanese troops had an obligation to preserve "security" and uphold "public order" represented a practical step in deactivating the treaty. Based on the idea that China's occupiers had "tutelage" rights over a region that was no longer considered part of a unified state, the presumed right of Japanese troops to uphold security and public order was extended from being a basis of discussions over Tientsin to form the cornerstone of an agreement of "principles" (the Arita-Craigie accord) applying to all occupied areas of China.¹¹⁷

In Japan's tense political situation, bringing up an international covenant that Britain had gone to such lengths to ignore was the diplomatic equivalent of raising a red rag to a bull. The military contingent of the Japanese delegation had already withdrawn from discussions in protest at London's "insincerity" (*sei aru kaito o yuzu*) and "duplicitous diplomacy" (*ni-men gaiko*), accusing the British government of trying to sabotage the Conference by engineering the entry of Third Countries (*dai sankoku no kainyu o kito suru*) into the talks.¹¹⁸ With receipt of Britain's final terms, the Japanese Foreign Ministry had little difficulty in declaring that it was London's revival of the Nine Power Treaty that had made an "agreement on Tientsin impossible" (*Tenshin mondai.. ryokai ni kushimu*

tokoro nari) and brought the Tokyo Conference to a "complete breakdown" (kanzen ni ketsuretsu jotai ni ochiri).¹¹⁹

The truth, however, was not so simple. The inconsistency of British attitudes towards the Tokyo Conference has tended to obfuscate the limited nature of Japan's own interest in what was also an objective of the Conference: the forging of workable solutions at Tientsin. As British negotiators had argued, Chinese fapi was being used far too extensively outside Tientsin for Tokyo's demand for its suppression within the British Concession to have had much of a wider financial effect. Likewise, the silver Japan wanted transferred out of the British Concession to the puppet central bank would have been too small to reverse the shortfall in reserves that was plaguing the circulation of Federal Reserve Bank currency. Furthermore, actions that the British might have taken to improve local order -- such as eliminating currency-counterfeiting rings discovered by the Japanese military to be operating out of the British Concession at Tientsin¹²⁰ -- did not seem to have been even discussed in Tokyo.

Japan justified its economic demands over Tientsin in terms of furthering public order and stability. But its negotiating position was based on the impractical assumptions that a) a currency with national backing and international convertibility (Chinese fapi) could be replaced with an alternative that had neither (Federal Reserve Bank notes); and b) that the actions of a foreign-

administered area of limited economic influence (the British Concession at Tientsin) could play an important role in bringing this about. As a result, the implementation of such demands probably would not have had the orderly or stabilizing effect that Japan said, but exactly the opposite.

It would probably be going too far to conclude from this that the instigation of chaos had become a Japanese objective in North China. But the involvement (mentioned in a previous chapter) of the occupation authorities with local narcotics and terrorist groups¹²¹ indicated that the right to uphold public order and security was less important to Japan as an end in itself than for its implied message that such functions no longer belonged to the Chinese government. In refusing to go along with demands that would have denied the Chinese government control over its economic affairs as well, Britain, it could be argued, showed signs of at least a belated awareness that Japan was less interested in solving local problems than deepening British complicity in the process of relegating China's legal status to that of a permanently divided occupation zone -- i.e. the New Order in East Asia in all but name.

Chapter Ten: Aftermath (August 1939-June 1940)

The Tokyo Conference ended in failure on 18 August. But the Cheng suspects were handed over on 5 September and local agreements on 12 August and 16 September between Japanese and British officials at Tientsin paved the way for the unofficial implementation of the most important items of the 4 August draft police accord. Currency talks were unobtrusively resumed in October, resulting in an agreement in March 1940. In June, the blockade was finally lifted.

Crucial to these developments was the sudden and unexpected dissipation of the anti-British movement in Japan. Having nothing to do with Tientsin, this occurred with the 23 August announcement that Germany and the Soviet Union had concluded a non-aggression pact. But with the break-up of the Tokyo Conference, discussions became localized and discreet, another factor that made the search for compromise solutions less politically costly or personally dangerous. There are few indications that the agreements eventually signed were successful in improving security at Tientsin, or extending Japanese economic suzerainty in North China. Like the Arita-Craigie accord and the New Order in East Asia proclamation, they represented not much more than an ongoing Japanese attempt to undermine Chungking's authority over the region and increase Britain's dependency on Japan by weakening its control over the Concession. Once they were signed, the incentive to continue

an expensive, and in many ways ineffective, blockade at Tientsin evaporated.

The German-Soviet Non-Aggression Pact

When London finally rejected Japan's demands on 18 August, ultranationalist criticism of British 'insincerity' seemed to be validated. Distrustful of British intentions, the Army had been pressuring the government to end the Tokyo Conference since the first signs of British reluctance to comply with Japanese demands had become apparent. Once Britain had finally made its position clear, the question facing the Japanese government was how to wind up the Tokyo Conference before its existence could be used either to spur a resurgence of assassination attempts against "pro-British" officials or -- should the Army Minister resign over the German alliance question in the next Five Ministers meeting -- justify the installation of an ultranationalist successor to the Hiranuma Cabinet in which the Army would hold complete sway.

The political landscape dramatically changed, however, with the unexpected announcement on 23 August that Germany and the Soviet Union had signed a non-aggression pact. Regarded as a national humiliation, this action hastened the downfall of the tottering Hiranuma Cabinet. But by allying with Japan's enemy, Germany took the wind out of the sails of ultranationalists within and without Army ranks who had been responsible for the internal divisions and external

pressure that had reduced the administration to such a weakened state. With the threat of demonstrations and other direct action unexpectedly dissipated, those who had been targeted for the most intense public criticism -- i.e. "pro-British" advisors close to the Emperor -- were able to form a new Cabinet that, while headed by an army general (Abe Nobuyuki), was dominated by imperial nominees with few links to ultranationalist organizations or the radically pro-German or anti-British policies they espoused.¹

Giving the Hiranuma Cabinet an unexpected chance to mould its successor in its own image, Germany's action also helped remove barriers to the resumption of negotiations on Tientsin. With the Tokyo Conference officially suspended by Japan only a day before, the talks were unlikely to carry on in the same format as before. But the high-profile nature of the Conference had actually been an obstacle preventing both sides from considering any compromise. With a German alliance no longer a viable political objective, the need for Tokyo to reassure the public of its pro-German leanings by showing how unbending it could be towards Britain had also disappeared. As a result, the stage was set for a reopening of discussions that, unlikely to be subject to the intense public scrutiny of the past, promised for the first time to allow serious evaluation of alternative proposals.

These developments were accompanied by some markedly non-confrontational actions by the United States. Eager to ensure that America would not be held responsible for

British unwillingness to compromise over Tientsin, the US Embassy in Tokyo informed its British counterpart that Washington was actually "not.. much concern(ed) over the problem of the silver reserves" in the British Concession -- i.e. that the problem could be disposed of as the parties wished.² This was followed by an 25 August meeting in which US Charge d'Affaires Eugene Dooman advised Ambassador Craigie against "press(ing) the Japanese for a settlement of the economic questions arising out of the Tientsin situation," or viewing such a settlement as likely to be pivotal in "restrain(ing)" Japan from becoming more distant from "the democratic nations on the one hand", or moving closer to "Germany and Soviet Russia on the other."³

These comments were not meant to discourage a search for an agreement to the problems pending over Tientsin. The objective was rather to ensure that the issues be depoliticized, that negotiations take place far from the public eye, that both sides be prepared to engage in patient diplomacy and that relations between Japan and "the democratic nations" (i.e. non-Axis western powers) not be held hostage to how the discussions on Tientsin would turn out. In this way, intentional or not, an atmosphere of back-door dealmaking was fostered that had characterized relations between Japan, Britain and the United States prior to the Tientsin Incident. Under such conditions, acceptance of 'solutions' for China would be conditional largely upon the extent to which they could be kept from public view.

The Situation in North China

On 4 August, Minister Kato mentioned Tokyo's "apprehension" that any delay in implementing the police agreement could, in "the prevailing tense atmosphere," provoke "some incident" that might "jeopardize" the entire accord.⁴ Although Kato was mainly worried at that time about the likelihood of an ultranationalist reaction within Japan, another potential source of destabilization was radical elements within Japanese military ranks in North China. According to a despatch from the Japanese Consul-General in Tientsin, there was considerable plotting amongst extremist middle-level officers within the 27th Division and the North China Army General Staff during the early weeks of August. On the 5th, two firebrand colonels from the General Staff visited Tientsin with the intention of calling a press conference to encourage a Chinese-led insurrection and invasion of the British Concession.⁵

Nothing tangible came as a result of these schemes. Armed with advance knowledge of the plotters' intentions, Lieutenant-General Homma, the Commander of the 27th Division, used his control of the local media to ensure they did not get press coverage, thereby neutralizing their impact. But with the failure of negotiations for a military alliance with Germany and the subsequent installation of a reputedly 'pro Anglo-American' Cabinet, concern about the subterranean plans of these shadowy elements continued to

grow. Suspected by mid-September of being in contact with radical Special Service (^{Chunmei Kikan}~~Teiko~~) and Kwantung Army officers, as well as with ultranationalists at home, these factions were believed to be drawing up invasion plans for the British Concession at Tientsin that might lead either to a more sustained assault on Britain's Far Eastern position, or at least the discrediting of the 'pro-British' orientation of the newly-installed Abe Cabinet.⁶

Because the Tokyo Conference broke down, the police and security agreement that had been drawn up at the beginning of the month remained in draft form. But on 12 August, a memorandum was drawn up by Consuls Herbert and Tanaka laying out the ways in which Britain would unofficially carry out some of the items of the draft agreement, particularly the upkeep of the census, joint-raids and the procedure for dealing with anti-Japanese suspects.⁷ Increasingly anxious about the activities of rogue elements within the Japanese military, Japanese and British officials at Tientsin decided to implement other items of the unsigned 4 August accord. In what was at least partially an attempt to forestall the drastic outcome these elements were suspected of plotting, Consul Herbert promised General Ohta in a 16 September meeting to dismiss Li Han-yuan, reorganize the British Municipal Council police and do "all he could" to satisfy other Japanese requirements.⁸ As a result, the actions of renegade North China Army officers had the unintended consequence of succeeding where the efforts of the British

and Japanese delegations in Tokyo had failed: i.e. in ensuring the materialization of an agreement over Tientsin.

The Handover of the Cheng Suspects

An important element of this emerging anti-Chinese consensus was the British government's determination not to allow anything to obstruct the handover of the Cheng suspects. From the beginning of the Tokyo Conference, Britain had indicated that it would consider any means of accomplishing this objective so long as the government did not have to suffer too much loss of face. With Craigie's 'impartial' review of the evidence against the suspects, Whitehall hoped it had been given the excuse it needed to proceed.

A potentially serious snag emerged on 11 August, however, when a firm of solicitors acting on behalf of the internees petitioned for a writ of habeas corpus. "A process for securing the liberty of the subject by affording an effective means of immediate release from unlawful or unjustifiable detention,"⁹ habeas corpus writs were, according to a later ruling on the case, applicable to anyone -- including "alien friends or alien enemies" -- "within the realm" who was "under the protection of the Crown."¹⁰ In order to avoid a pettifogging technical debate as to whether it was the Secretary of State in London or the British authorities in Tientsin that legally "had the bodies" (i.e. power of decision over detention) of the

suspects, it was decided that writs would be applied for both in the Consular Supreme Court in Shanghai and the High Court in London.

This action put Britain in a very delicate legal situation. Since British authorities -- legally or not -- were interning these men, it was difficult to say that they were not "under the protection of the Crown." Assuming the men were under the Crown's "protection," the British government had to answer why they had been detained for four months without being formally charged, either by Britain or by an authority of the diplomatically accredited government of China (i.e. Chungking). That the British government had during that time been negotiating with an unrecognized occupation force (North China Army) about what charge should be brought against which suspect (i.e. complicity in murder or membership of a terrorist gang) in order to facilitate their handover to the judicial authority of an unaccredited regime (de facto government of North China) constituted very strong legal grounds for arguing that the suspects had been "unjustifiably detained" and should therefore be released.

Attempting to evade this problem, the Foreign Office argued that "Tientsin is not a part of the world over which the King exercises(d) territorial sovereignty."¹¹ This, however, created another legal problem for the British. According to the 1858 Treaty of Tientsin under which extraterritoriality in China was established, Britain had obligated itself to hand over "Chinese offenders" to the

"Chinese authorities" upon "due requisition."¹² As the Chinese Ambassador pointed out, it was difficult to view "due requisition" as anything other than accepting the procedures of the court or authority that was legally recognized by the British government -- i.e. the Chungking regime. Chungking had requested that the men be released or transferred to Hong Kong to be later put under their custody. Having ignored this request, Whitehall had violated one of the few legal obligations that Britain had incurred when making its own assault on Chinese sovereignty when it imposed extra-territoriality on China in the nineteenth century.¹³

Fearful of getting boxed into a corner, the British government began to show signs of desperation. The only arguments it could muster were 1) that, since Britain had been handing over suspects for two years to the courts of the de facto authorities, Whitehall "cannot suddenly put up a new story and say that we cannot recognize these courts;" 2) that the Tientsin District Court had been "acting with commendable independence" with "no sign of subjection to Japanese influence;" and 3) that the reason Britain had initially refused to hand over the four suspects was "not because we did not recognize the existence of the (de facto Tientsin District) Court, but solely because the evidence was insufficient" -- implying, of course, that the Craigie 'verification' process had now turned up the necessary 'evidence' that was earlier missing from the case.¹⁴

On 17 August, in what was for London a convenient side-stepping of these issues, the adjudicating judge in Shanghai refused to issue a writ of habeas corpus because the petitioning lawyers had not received "authority from the prisoners themselves for the application to be made."¹⁵ On 27 August, the High Court in London also refused to issue a writ, on the spurious grounds that the Foreign Secretary "does not hold the prisoners, but acts only in an 'advisory' capacity."¹⁶ In an attempt to prevent the petitioning lawyers in Shanghai from making another application, the British authorities at Tientsin utilized the legal loophole that the Shanghai judge had provided by refusing to grant the lawyers' agents in Tientsin permission to interview the suspects.¹⁷

By 30 August, the suspects had somehow given their lawyers written permission to apply for a new habeas corpus writ. In reaction to this new application, the judge in Shanghai issued a summons to the British Commander in Tientsin to "show cause why a writ of habeas corpus should not be issued" and announced that the hearing would take place on 4 September.¹⁸ Fearing that the chances this time of a writ being issued were fairly high, the British Concession authorities requested on 31 August that the Tientsin District Court send a formal summons for the immediate transfer of the suspects.¹⁹ According to the Commander-in-Chief of the North China Army, British and Japanese authorities agreed to hand over the suspects on 2

September, two days before the judge was to issue his ruling.²⁰

Trying to forestall such action, the solicitors acting for the prisoners went on record as saying that since "the British Government has at all times stated that the question of the four Chinese prisoners is a judicial matter," it would be "unbelievable" that "the men" would be "hand(ed) over.... while the matter is still sub judice."²¹ Possibly in reaction to this, the agreed-upon 2 September transfer did not go through. On the 5th, the prisoners' solicitors in London informed the Foreign Office that a writ for habeas corpus had been finally issued in Shanghai and asked that the four detainees not be handed over to the Tientsin District court at least until 11 September, "until when the case is sub judice."²² But, according to a Domei press release, the men were handed over on the evening of the day that the habeas corpus writ was issued.²³

The final denouement came a few days later when, on 11 September, news came through the wire services that the four suspects were to be tried in Peking by a Japanese military tribunal. As a senior Far Eastern Department official said, Britain's "defence to accusations that these men were being handed over to the tender mercies of the Japanese" had "always been that they were being surrendered to" the "commendably independent" Tientsin District Court, supposedly applying Chinese law "without sign of subjection to Japanese influence."²⁴ With proof that even this final

(and very dubious) vestige of 'due process' would be denied to the suspects, the last legal justification for what the British government had done vanished. As Whitehall well knew, the government's flouting of its own laws, procedures and regulations had helped send to their probable deaths four people who could well have been innocent of the crime for which they were being charged. In the end, all that could be salvaged from the debacle was one "fortunate" silver lining: thanks to the outbreak of the Second World War, the handover "appears to have passed unnoticed in the press."²⁵

Reopening of economic discussions

About three weeks after the Cheng suspects were handed over and a hiatus of about a month since the suspension of the Tokyo Conference, economic talks between the two countries were reconvened without fanfare and unencumbered by the participation -- threatened or otherwise -- of other powers. With Whitehall and the British Embassy in Japan having been unable to speak with a unified voice, the centre of gravity shifted from Tokyo to London. There, in a series of meetings in October and early November with Foreign Minister Halifax and his deputy, R.A. Butler, the veteran Foreign Ministry official and then ambassador in London, Shigemitsu Mamoru, crafted the outlines of a settlement that was completed in March 1940.

For two countries to find common ground in just two months upon an issue that had divided them so sharply might at first sight seem surprising. But from a Japanese perspective, there was less in this than met the eye. With Japan's economic demands unlikely to have a big impact in increasing the backing or circulation of puppet currency, Tokyo had been indicating since at least August that its bottom line in coming to an agreement was not economic (i.e. financial stability of the Peking regime), but political (i.e. curtailment of the Chinese National Government's legal authority over the occupied areas). The issue of whether Chinese silver would be transferred out of the British Concession or not was therefore less important than the conclusion of arrangements that would dilute or deny the management rights over such metal of what Britain still officially recognized as the legitimate sovereign of the whole of China.

Showing qualms about concluding an agreement on this basis, Britain at first reiterated its belief that the silver legally belonged to the Chinese National Government. But on 24 October, Ambassador Shigemitsu bluntly informed the Foreign Office that, by "aiding" the Chiang Kai-shek regime in this fashion, Whitehall was not reciprocating the policy of strict neutrality that Japan had adopted towards the war in Europe.²⁶ With Germany allied with the Soviet Union and the war's outcome difficult to predict, Japan's neutrality decision was in fact based entirely on the

grounds of self-interest. But it seems that the Ambassador's remark was sufficiently disquieting to induce the British into pursuing a settlement that would simply keep the assets within the Concession and outside the vaults of puppet banks -- regardless of whether it might for other reasons be opposed by the Chinese government, or constitute even by British standards unwarranted interference in Chinese affairs.

In the agreement drawn up in March 1940, Britain, in addition to preserving the circulation of Chinese fapi within the Concession, was able to get Japan to accept that most of the silver within the enclave's Chinese banks would stay where it was "for the time being." But, while this arrangement preserved some appearance of an economic status quo, Whitehall in return had to sign away the rights of not just the Chinese National Government, but any Chinese entity, to control or dispose of the metal by agreeing that it would be "put under the joint control of the Hong Kong and Shanghai Bank and the Yokohama Specie Bank" and "sealed.. with the seals of the British and Japanese Consul-Generals in Tientsin." Even more damaging for China was Britain's promise that "it would use its influence in ensuring that the silver" -- in British legal theory still Chinese government property over which no foreign power had a right to interfere -- would "not be made in any way the security of any loan of the Chungking regime."²⁷

Another component of the settlement further undermined China's control over the assets. Without the foreknowledge of any Chinese governing institution, Britain and Japan agreed that specie in the Bank of Communications equivalent to 100,000 pounds sterling would be set aside to form a "fund for the relief of flood-stricken Chinese" made homeless in the Tientsin area by severe flooding between August and October 1939.²⁸ With hundreds of thousands estimated to have been affected, it is unclear whether this amount of money -- about ten percent of the value of the total silver deposits within the Concession (almost one million pounds sterling)²⁹ -- would be sufficient to alleviate the catastrophe. But under the guise of aid to Chinese in distress, an agreement was made that sought not simply to control and manage, but actually to disburse and spend, Chinese national treasure on products of Britain's and Japan's choosing.³⁰ China would therefore deplete its reserves to purchase foreign goods according to the dictates of foreign powers, without having the right to say whether it wanted such 'assistance' or not.³¹

With both the flood-relief and silver proposals predicated on Japanese-British rather than just Japanese control, the Japanese Foreign Ministry realized that a precedent had been set that from Japan's perspective was less than satisfactory (Nichi-Ei kyodo shori o.. Shina mondai shorijo akarei o tsukuru mono). But as was constantly reiterated,³² of less importance to Japan was the fact that

the British might have some control over China's silver than that the Chinese would have none. With the implementation of the silver and "humanitarian" flood relief proposals, Tokyo sought to break links between London and Chungking (Eikokugawa o Sho Kai yori hiki-hanashi) by getting Britain to engage in "unfriendly acts" (Eikoku o shite Sho Kai no konomazaru tokoro o aete seshime) against a regime that Japan intended to replace as the Government of China by a puppet entity of its own.³³

The implications of this settlement for China were not lost upon Ambassador Craigie. In a series of tense meetings with the Japanese Deputy Minister for Foreign Affairs during November and early-December,³⁴ Craigie -- who in July and August had been arguing that Britain should compromise with Japan and accept Minister Kato's silver-for-fapi proposal -- questioned the legality of transferring silver to institutions outside the British Concession or other banks within the enclave (a proposal that originated in the Foreign Office).³⁵ On the basis of the view that "the silver was the property of the National Government," Craigie also opposed having the assets sealed by the British and Japanese consuls-generals, as well as the proposal that part of the proceeds be set aside for a "humanitarian" fund.³⁶

Regarding this as akin to an act of betrayal, Foreign Ministry officials within the East Asia Bureau accused the British envoy of trying to "sabotage" the talks.³⁷ To Tokyo's ire, this did not prevent Craigie from making other

assertions -- such as that Britain might face a court battle if the assets were handed over, that British public opinion might be up-in-arms about such an action, and that the prior authorization of Third Countries such as the United States was necessary before any deal could be made -- that were even more out-of-character for a presumed 'friend' of Japan.³⁸ But since all these remarks followed closely the Foreign Office's instructions of 17 August (nullifying his previous efforts to broker an accord), Craigie's revised position may have reflected less a changed attitude towards Japan than a desire not to get his fingers burnt twice.

The lifting of the blockade

Underlying Craigie's opposition to the economic proposals was a dawning realization of the irrelevance of all the negotiations concerning Tientsin in which he had been involved in bringing about the objective for which they were initiated: the lifting of the blockade of the British and French Concessions. The Japanese government had intimated that the blockade would be at least eased once the two countries initiated negotiations in Tokyo. But the siege of the concessions, a military action imposed and controlled by the local field army, was neither ended nor eased until June 1940, over ten months after discussions in Tokyo had started, nine months after British officials at Tientsin agreed unofficially to implement the provisions of the 4

August draft police accord and three months after the March 1940 economic agreements had been drawn up.

In hopes of inducing the Japanese military to end the blockade, the British authorities at Tientsin -- having quite possibly violated their own laws and regulations in handing over the Cheng suspects -- continued throughout late-1939 and early-1940 to bend over backwards to accommodate the Japanese. In September 1939 and January 1940, there were two co-ordinated police sweeps of suspected guerrilla hideouts in the British and French Concessions.³⁹ In December 1939, as a result of a meeting on the 28th of that month between Ambassador Craigie and members of the Foreign Ministry East Asia Bureau, the British also agreed to tighten up media regulations and discuss ways of inserting a Japanese military police force within the enclave. These were some of the most important of the draft provisions that had not been covered by the 16 September Herbert-Tanaka agreement.⁴⁰ By getting most of the August draft agreement implemented without the document being formally signed, Tokyo gained the additional advantage of obtaining British collaboration without having to acknowledge the legitimacy of the British Concession authorities in any way.

In terms of improving "security" and "public order," these measures were predictably ineffective. The joint⁴raids within the British Concession seem to have generally failed in identifying or capturing anti-Japanese ringleaders. In

the raid that occurred in January 1940, it transpired that some of the chief suspects were operating from areas meant to be under Japan's 'control.'⁴¹ With 'surrounding areas' no longer under effective Japanese supervision, it was unlikely that 'terrorist outrages' were going to be eliminated or even substantially decreased by pursuing a strategy of evicting suspected anti-Japanese activists from the Concessions. In such a situation, those engaging in anti-Japanese acts had little need for a foreign area such as the British enclave as a haven from which to plan their operations: it could be done virtually in any place they chose.

As far as the British were concerned, these measures -- the latest in a line of actions that included the signing of the Arita-Craigie accord and the handover of the four people detained in connection with the Cheng murder -- were meant to appease Tokyo with the hope of a reward for 'good behaviour'. But the blockade was not even eased as a result of these endeavours. According to British protests lodged at the Japanese Foreign Ministry in November 1939, employees in British firms were finding it "impossible" to get entry or exit permits, and officials were being subjected to waits of up to two hours while other foreign nationals "went through quickly." Keenly disappointed at Japan's actions, an exasperated Craigie declared himself "quite at a loss to understand how it is that despite the progressive steps taken by the British authorities to ease the situation in

Tientsin..., there is no sign of any improvement as regards discrimination and inconveniences which confront British subjects at every turn."⁴²

Nor did Britain's actions have much effect in lessening Japanese involvement in the anti-British movement in China. According to a January 1940 North China Army General Staff paper, the military was as intent as ever to "expel foreign business from the concessions" (sokainai ni okeru... gaishoken no kuchiku o kitosu) and "plan for the rapid reversion of the concessions (to China)" (shikarubeku sokuryoku ni sokai kaishu no jotai o sakuisu). The North China Army was also determined to "make no undertaking to rein in the anti-British movement" (han-Ei undo torishimari ni taishi maikaku naru genshitsu o kyoezaru koto), even if the blockade were to end.⁴³

From a British perspective, an alleviation of such activities was the least to be expected for their efforts to placate Japan. In addition to the gradual implementation of the draft police accord, these included the first steps in the dismantling of its holdings in China, occurring in the form of phased troop withdrawals after the war in Europe had broken out, with the first troop pullback from Tientsin taking place in December 1939. What made the situation even more depressing for Britain was the fact that, in contrast to the mass protests in Japan, the anti-British movement in China was largely synthetic and totally dependent on North China Army support. Japanese troops would never have faced

any difficulty in curtailing such activities had they so desired.

The drawing up of the economic agreements in March 1940 evoked scant indication that Japan's behaviour would soon moderate. In a meeting with Foreign Secretary Halifax and Deputy Secretary Butler in early April 1940, Ambassador Shigemitsu refused to give any commitment or hint that the blockade would be eased or removed as a result of Britain's actions. Nor was he prepared to say that, if lifted, the blockade would not be reimposed. In meetings with Deputy Minister Tani on 4, 13 and 17 April, Ambassador Craigie tried to extract similar assurances, as well as an undertaking that the anti-British movement in North China would cease. His efforts were apparently to no avail.⁴⁴

The blockade was eventually lifted in June 1940. But in a Foreign Ministry statement on the 20th of the month, when the police and economic agreements were finally officially signed, there was no reference to the blockade, its lifting, its possible reimposition or the cessation of anti-British activities.⁴⁵ Nor did any informal or private promises seem to have been made in this regard. The Japanese Consul General was probably correct in assuming that, to the extent that political factors might have been involved, the end of the blockade probably had more to do with growing fears of reprisals from the United States than any actions taken by the British.⁴⁶ Washington had never wanted to intervene on Britain's behalf over Tientsin. But Japan's military

leadership in China seemed to be having little success preventing ultranationalist subordinates from turning an anti-British movement into an anti-western agitation directed also against Americans.⁴⁷ With the lapsing of the U.S.-Japan Commerce Treaty in January 1940, there were no longer any legal impediments preventing the Roosevelt administration from imposing economic sanctions upon Japan whenever it wished.

The main impetus behind the blockade's lifting, however, remained local. Since the beginning of the crisis, the siege of the Concessions had been classified an 'operational' matter under the purview of the North China Army that was supposedly to be imposed, eased or lifted according to the security needs of Japan's armed forces. As a way of catching suspected Chinese 'terrorists', the measure had proven itself ineffective -- indeed, Japan's demand for joint-raids since early 1939 was in part an attempt to find a more effective entrapment device. Although the blockade had also been imposed as a way of undermining British authority, it had proved to be more costly in human and material terms (while not greatly more effective) than many of the other anti-British stratagems in which the Japanese military had also been involved.

The absence of a blockade did not mean that the North China Army had ceased, or intended to cease, all other anti-British activities. Nor did it mean that such an action could not be initiated again sometime in the future. But

with the siege of the Concessions having lasted a year, and with Lieutenant-General Homma's 27th Division split, under increasing challenge from Chinese partisans and able only to spare a few hundred soldiers to garrison the Concessions at any one time, there seemed to have been compelling operational reasons for winding down an expensive undertaking that was difficult to man and invited the possibility of military conflict with non-Japanese foreign troops stationed within the Concessions and Special Areas.⁴⁸ As had become increasingly apparent, neither the efforts of officials in London, Tokyo or Tientsin nor the price China was forced to pay for their exertions had any real impact in bringing about a decision that seemed in the final analysis to be mainly a response to the mundane imperatives of cutting costs and redeploying soldiers.

Conclusion

This study has examined the origin, outbreak, escalation and solution of an incident between Japan and Britain at a remote outpost of the British Empire in North China. The objective has been not simply to examine the moves, counter-moves, misunderstandings and stratagems that transformed a minor administrative matter into an issue that within a few months seemed to be bringing both countries closer to war than the activities of the Axis powers in Europe. It has been rather to get behind the diplomatic clichés of many of the participants in the crisis in order to examine this Incident as a case-study of the tragic and ultimately catastrophic process of Japanese imperial rule. Placing the event within the context of Japan's occupation of China, as well as its domestic political and foreign policy situation, we have attempted to discover what light it can shed upon Japan's imperial predicament and one of its subordinate aspects: the nature of Anglo-Japanese relations.

This study argues that the escalation of the Tientsin Incident from a minor procedural matter into a full-blown international crisis cannot be comprehensively explained in terms of what Japanese and British officials described as a quest for 'security' and 'order'. China, particularly Tientsin, was undoubtedly an insecure place, especially dangerous for Japanese soldiers and puppet officials. But to

say that the Tientsin Incident was caused by an absence of security would imply that the British enclave was a centre of terrorist activity within a surrounding area that had either been thoroughly pacified or would have been pacified had it not been for the British Concession's existence.

This was clearly not the case. While the British area was not crime-free, Japanese soldiers and puppet officials were much more unsafe, and being attacked and killed with far greater frequency, in the Japanese 'controlled' areas in and around Tientsin than in the British Concession. Indigenous opposition to Occupation rule had become so intense that, even within the 'lines' and 'points' (towns and railways) to which Japanese authority had been limited, Chinese partisans were engaging in the planning and execution of all forms of anti-Japanese activity and seemed to have had little need for foreign areas into which they could retreat. To say, therefore, that the Tientsin Incident was a consequence of the British or French Concessions being 'hotbeds' of terrorist activity was not much more than a way of denying Japan's responsibility for a situation that the Japanese themselves had largely created.

A precipitating factor in bringing about the blockade of the British and French concessions was the failure of the British authorities to hand over the four individuals detained in relation to the murder within the British

Concession of puppet official, Cheng Lien-shih. But, even here, the extent to which Japan's decisions were security-driven is questionable. At most only two of the suspects had a link to the Cheng murder, and then only as accessories to the crime (the assassin was never caught). In addition, the British authorities at Tientsin continued to detain rather than hand over to the puppet courts other criminal suspects who had almost certainly been involved in far worse anti-Japanese acts of violence. This was not the first time that Britain had refused to hand over anti-Japanese culprits according to Japan's wishes. Yet, in allowing other detainees to continue to be interned and in some instances merely expelled from the Concession, the Japanese military were agreeing to terms far more lenient than those they were applying to the Cheng suspects.

The reasons for this discrepancy are not entirely clear. But in contrast to the detention of other Chinese suspects and the disagreements with British and Japanese officials that sometimes consequently ensued, with the Cheng murder suspects, it had been China, especially the intervention of the Chungking government, that had been instrumental in holding up their transfer. In other words, it can be argued that the precipitating factor in this crisis was not the questionable guilt of the suspects, or even Britain's equivocation in handing them over. It was

rather the success of a regime that Japan was determined to eradicate in showing that it could still affect (through Britain) the affairs of North China -- and the impossibility for Japan in any way to acquiesce in or accept such a development.

The action of the Chinese government also brought to a temporary halt an uneven but intensifying Anglo-Japanese collaboration against Chinese 'undesirables' at Tientsin. But this setback in no way undermined or weakened either country's underlying desire to carry on strengthening this process. As the police talks in Tokyo and subsequent agreements at Tientsin indicated, Britain was willing to implement measures that were furthering the very Japanese aggression upon China's sovereignty that, through obligations incurred as a signatory of various international collective security covenants, British foreign policy was meant to oppose. That Japan continued, despite this, to brand the British enclave a security threat was not an indication that its existence was really a threat. But, if only to deflect attention from Japan's failure to quell insecurity in their own areas of 'control', its representation as such was deemed beneficial.

Another crucial development in expanding the crisis was the North China Army's unexpected insistence upon the elimination of Chinese government currency and the export of

local currency reserves from within the British Concession. Yet although these demands were classified as essential to Japan's military security and therefore non-negotiable, the findings of this study suggest that neither eliminating Chinese fapi from within the Concession nor transferring the reserves or other financial assets from Chinese banks within the Concession to Japanese controlled institutions outside its perimeter would have had a decisive effect either in shoring up the value of the puppet currency or in getting rid of fapi from other areas of occupied China. As the economic agreements of March 1940 suggest, Japan's economic agenda was driven less by an urge to consolidate occupation control than by the simple political imperative of denying the Chinese government any opportunity to exert influence over the region at all.

The denial of governing rights to legitimate government authorities has been a common feature of many occupations. But any aspiration to replace what had previously existed with something more lasting had, in the case of Japan's occupation of North China, already been seriously blunted by an absence of capital for infrastructure development and massive Chinese resistance to Japanese rule. With North China by 1939 already a trade-deficit region and a serious financial burden on Japan, the negotiation of agreements acknowledging Japan's 'special requirements' for public

order and security in China during the Tokyo Conference was taking place at a time when Japanese occupation authorities were involved in short-term, money-spinning stratagems such as currency manipulation, smuggling, the destruction of China's textile industry and narcotics promotion that were rendering such 'special requirements' meaningless.

All this cast the activities of Japanese and British negotiators at Tokyo in a questionable light. With the North China Army pursuing an anti-British campaign that included, by its own admission, efforts to cause upheaval within the British Concession, any impetus to consolidate occupation control had been eclipsed by actions that -- whether they be smuggling, currency, exchange controls or narcotics -- were designed simply to loot China and degrade or destroy its people in the process. From this perspective, it could be argued that Japan's real objectives with regard to the Tientsin Incident were: 1) to make sure that any agreement would not get in the way of these other activities (as could be concluded from the rejection of the British suggestion to increase the fine for possession of narcotics as part of a package to improve public order); and 2) by forcing Britain publicly to comply with Japanese demands, to show China and its inhabitants that they could expect nothing in the way of British support.

Getting other countries to cooperate in the destruction of China as a sovereign territorial, political and legal entity had been a Japanese foreign policy objective from at least the Kwantung Army's 1931 invasion of Manchuria. But with the invasion of the rest of China in 1937 and 1938, Tokyo mounted a broader-based, more intensive effort in this direction. Particularly with the proclamation of a New Order in East Asia in 1938, Japan was embarking on a course that sought unequivocally to undermine and make irrelevant collective security covenants (particularly the 1922 Nine Power Treaty) that supported the notion that China or its constituent parts could not be the exclusive preserve of any one external power. While not prepared to renounce formally such interwar treaties, London had turned a blind eye to Japanese incursions into China from as early as 1933. This pattern of low-key acquiescence culminated in January 1939 with the announcement, in response to Japan's New Order declaration three months earlier, that the interwar treaties were not "immutable."

Getting Britain to transform such general statements into meaningful action was an important Japanese foreign policy objective that played a key role in the transmogrification of the Tientsin 'incident' into a 'crisis'. With the decision to move talks from Tientsin to Tokyo and negotiate an agreement-of-'principles' first, the

solution of problems sui generis to the situation at Tientsin rapidly became subordinated to a well-honed political urge to treat the Incident as a "test case" of the "sincerity" of British intent to change its "attitudes" and "policies" towards China. As far as Japan was concerned, the negotiations leading up to the signing of the Arita-Craigie accord of 22 July were of importance less as a stepping-stone to facilitate settlement of Anglo-Japanese differences at Tientsin or elsewhere in China, than as an opportunity to nudge London away from any lingering adherence to the interwar treaties and towards a fuller acceptance of the New Order in East Asia and all that that entailed.

The politicization of the Tientsin Incident was, however, a process more complicated than the subordination of a minor dispute to the furtherance of a wider political agenda. As suggested by the July 1939 easing of legal restraints on anti-British, but no other, public demonstrations, building up the Tientsin Incident as an unsolved problem could act as a kind of lightning rod to keep alive the issue of one-and-a-half centuries of imperialistic British behaviour in Asia. This was almost certainly linked to the growing impact of the 'China Incident' on Japan and the escalating political price to be paid for the government's failure to 'solve' it.

The dimensions of this problem were by Japanese standards unprecedented. Just by the end of 1938, over a million troops had been committed to China in a campaign that was over fourteen times as expensive as any other foreign military enterprise that Japan had ever undertaken. By the end of 1939, the cost of the undertaking amounted to over 200,000 Japanese fatalities¹ (about four times the U.S. casualty rate for the whole of the Vietnam War) and a domestic economy that, already reeling from prolonged agricultural depression, poverty, depressed demand and overcrowding, registered between 1937 and 1940 a 20 percent drop in real wages to "what was in effect a starvation level."² With an insecure ruling elite that, under an absolute monarch, had taken advantage of war conditions to embrace a comprehensive form of "fascism from above," the political system in which these developments were occurring was geared simply to the resolute suppression of any type of discontent from below.

Controlling popular discontent by eliminating the possibility of its expression was a short-term expedient for the management of longer-term problems that appeared to be insoluble. As one of these problems, the China Incident had already escalated way beyond initial Japanese expectations, and public support could no longer be taken for granted. From as early as 1938, ultranationalist groups had

increasingly blamed Britain -- particularly its meagre financial and economic 'aid' to the Chungking regime -- (and sometimes even to a greater extent than the 'contamination' of the Chinese psyche by the 'propagation' of Soviet-inspired 'communism') for the Japanese military's failure to pacify areas supposedly under its control. To preserve a flagging popular commitment to a burdensome war, Japan's fragile ruling coalition took up this issue and injected it into the economic discussions in Tokyo. In other words, the Tientsin Incident was being utilized to ensure that Britain remained a viable scapegoat for Japan's self-inflicted woes. Viewed in this light, it is easier to understand the unwillingness to compromise, the obsession in portraying the British Concession as a security threat and the introduction of demands London clearly would not meet that characterized much of Japan's posturing from the beginning to the end of this Incident.

The utilization of foreign countries as scapegoats for foreign adventures having gone drastically wrong was a relatively minor aspect of a strategy that sought to eliminate dissent without addressing its underlying cause. Of far greater importance was the capacity of Japan's ruling elite, "a closely-knit oligarchy... of the armed services, business, bureaucracy, and court," (to quote E.H. Norman) to continue preventing conflicts between them from "caus(ing) a

breach" in its "basic unity."³ In terms of supporting Japan's advance into China and the creation of a Japan-controlled New Order in East Asia, both rulers and ruled seemed to be marching in the same direction. But the Tientsin Incident occurred during a time when Japan's rulers were having difficulty preserving a consensus on foreign policy issues concerning the means by which Japanese foreign aggrandizement should be executed, in particular the terms under which a military alliance with Germany should be concluded. With the Emperor's advisors divided and his government approaching a state of near-paralysis on this question, a vacuum was created at the centre of Japanese politics, creating opportunities for others to inject themselves into the political process by posing as the true interpreters of the Imperial Will.

Lasting from 4 June (the day Germany rejected the Japanese Cabinet's proposal for a military alliance directed simply against the Soviet Union) to 22 August 1939 (the date of the publication of the German-Soviet non-aggression pact), this vacuum was filled by a popularly supported movement united by its distrust of Britain and, in most cases, desire for closer ties with Germany. Permeated with ultranationalist sentiment and peopled by elements of the "petty bourgeois stratum" (small factory owners, building contractors, carpenters, retail shop owners, petty

landlords, school teachers, low-level village employees, Buddhist and Shinto priests etc) that Maruyama Masao identified to be the social core of earlier groups initiating fascism "from below,"⁴ the anti-British movement shared with its predecessors a reactionary, virulently anti-western philosophy in which Britain and its activities in Asia -- including at Tientsin -- had become a metaphor for everything that was corrupt, evil, un-Asian and anti-Japanese.

Like its predecessors, elements within this movement had a predilection for the use of violence. As was the case in earlier times, it was also suspected of being utilized, financed and surreptitiously encouraged in various other ways by discordant factions (particularly middle-level Army officers) from within the government seeking to promote their own ends. But unlike earlier right-wing movements, the 1939 anti-British campaigns were legalized, large-scale forms of mass-action (demonstrations could exceed 100,000), which expanded dramatically with the unfolding of the Tientsin Incident and the government's continuing failure to conclude a military alliance with Germany. By virtue of its own strength, the government's weakness and the absence of institutional mechanisms to mediate organized expressions of the popular will, the anti-British movement gained an autonomy and power that was never replicated by the anti-

British campaigns in North China -- which remained small-scale and entirely dependent upon the benediction of the Japanese Army -- and which the Japanese government ignored at its peril.

The anti-British movement was responsible for bringing about a clear hardening of Japan's position over Tientsin. Whatever 'moderation' certain government ministers might have felt towards Britain tended rapidly to disappear as it became evident that they might become targets of ultranationalist assassins. But in addition, the Tientsin Incident served as the vehicle by which those involved in anti-British activity were able to establish their political legitimacy. As the Incident was utilized by those in government to implement a longer-standing agenda seeking to get Britain to change its policies in Asia, so it was used by those outside government to further an agenda of their own.

In the summer of 1939, this agenda was expressed in terms of a military alliance with Germany. But the aspiration to become more closely tied to the leader of world fascism was part of a broader-based effort of 'national renewal' (kokka isshin) that could be traced back to the attempted overthrow of the government on 26 February 1936, the 'national purification' (kokutai meicho) campaigns of 1934-35, the eradication of 'impure' thoughts about the

Emperor being a mere 'organ of state', the undermining of 'incurably' corrupt party politics that such thinking supposedly spawned, the assassination attempts upon selected members of established and monied political-industrial interests between 1931 and 1933 and the attacks on nascent labour and tenancy movements as well as all expressions of liberal, socialist and Marxist thinking going back at least to the Peace Preservation Laws of 1925 and 1928. As the Tientsin Incident provided an opportunity to bring Britain closer to an acceptance of the New Order in East Asia, so it helped provide a chance for fringe elements of super-patriots and other groups of subterranean desperadoes to make a final effort to fulfil their own long-standing ambitions: in particular, to 'cleanse the national polity' by 'restoring the Emperor' and eliminating those considered responsible for perverting his true intentions.

Very little of this had anything to do with the issues that had propelled the Tientsin situation into the political limelight. Essentially hijacked by the powerful currents and eddies swirling through the maelstrom of Japanese pre-war politics, the Tientsin Incident would probably have had a better chance of solution had Japan been able to conclude a military alliance with Germany before its outbreak. There would then have been none of the pressure to interpret Japanese compromise proposals as surreptitious efforts by

'pro-British' officials to thwart closer ties with Germany and 'subvert' the nation's destiny. Because an alliance with Germany was not achieved, however, a level of political tension was maintained that made progress on solving problems at Tientsin impossible. It was only when the wind was taken out of the ultra-nationalists' sails by the unexpected signing of the German-Soviet non-aggression pact that the depoliticization of the Tientsin Incident could occur. With the subsequent dissipation of the anti-British movement, the ground was set for a closing of ranks among Japan's ruling elite that would enable them to treat the Tientsin Incident finally on its own terms.

Within such a political environment, attempting to rebuild Anglo-Japanese relations through what the British Ambassador termed the 'incremental solution' of bilateral problems was unlikely to succeed. As Sir George Sansom pointed out, long-standing disagreements of 'principle' going back to Japan's exclusion from Anglo-American controlled markets and the unwillingness of Western countries to accept that Japan could build up its own Empire in East Asia instead meant that any effort to solve bilateral problems as discrete administrative matters devoid of policy content would for Japan institutionalize a political status quo that was one-sided and to Japan's disadvantage. With no takers even amongst so-called 'Anglo-

American' faction members for this approach, there was always likely to be more involved and a higher price to pay for Japan's co-operation than British officials were prepared to acknowledge.

As a war-avoidance strategy, Britain had no choice but to work for a negotiated solution to the Tientsin problem. But the question was whether a conference in Tokyo was the best way of achieving such an objective. With Japanese domestic anti-British feeling so frenzied, having high-profile discussions in the capital ran the risk of being regarded as an act of political provocation. With so many groups interested in utilizing the Incident for their own ends -- be they Britain's 'scapegoating' for the unresolved 'China Incident, a British recognition of the New Order in East Asia or even the promotion of a 'Showa Restoration' (Showa Isshin) -- officials in Japan and the public that were scrutinizing them were always more likely to treat the Incident as an opportunity to raise other issues than to approach it merely as an administrative problem resolvable on its own merits.

With the exception of Sir George Sansom, this seemed to be scantily recognized by British officials, particularly in Tokyo. Nor has it been clearly accepted in recent western historiography, which has been more concerned about the under-appreciated 'realism' of the British Ambassador.⁵ But

what was an eminently realistic desire, shared not just by Craigie but by British officials across the board, to avoid war over Tientsin did not mean that a conference in Tokyo was a 'realistic' way of going about it. If, as the ambassador believed, there was anyone more 'moderate' in Tokyo than in Tientsin, the possibility of ad hominem verbal and physical abuse by anti-British demonstrators was soon to cure them of such dangerous and 'unrealistic' notions. It is no doubt necessary to reassess the contribution of those who have been unfairly tarred with the brush of appeasement. But if Craigie's reputation is to be restored in a lasting way, this study suggests that he is likely to be remembered less as a political strategist than as an extremely hardworking official whose capacity to comprehend the details and intricacies of such highly complex issues as Chinese currency was as impressive as his grasp of Japanese political realities was flawed.

Whatever history's verdict will be on Ambassador Craigie, it is unclear whether there was anything that he or anyone else could have done that would have prevented the Tientsin Incident from turning into a major international crisis. And it is for its international implications that the Incident must ultimately be assessed. It was clear to many that Japan was marching towards an abyss. But what does a study such as this indicate about the turmoil in Asia? How

deep was the underlying conflict of interests between Japan and the Anglo-American powers? Was it inevitable that such a conflict would lead to war? What were the levels of inter-imperial collaboration and conflict that characterized these relationships? What were their implications for China -- or other nations in Asia that were concurrently or subsequently to undergo periods of anti-colonial struggle in their efforts to cast off the yoke of imperial rule?

While far from comprehensive, the insights this Incident can provide upon these issues are both sobering and complex. On the one hand, there was much that occurred during the Tientsin Incident that could be used to justify the interpretation that it was a joint-effort by Britain and Japan to accord legitimacy to an occupation that China's resistance had already severely undermined. On the other, the Incident has been viewed as a catalyst in sharpening economic differences between Japan and the western powers that were destined in 1941 to end in war. With the United States declaration of intent to abrogate its trade treaty on 26 July 1939, according to this line of thinking, British efforts to induce a more forceful U.S. intervention in defence of western interests -- and, according to some Japanese historians, the interests of their 'client' regime in China (the Kuomintang)⁶ -- finally bore fruit, thereby easing the pressure on more vulnerable countries such as

Britain from having to make 'concessions' with Japan, either at Tientsin or anywhere else.

The findings of this study suggest that such an explanation oversimplifies a trend that was in reality much more complex. Like Britain, the United States recognized the Chungking government, supported its currency and was opposed to the setting up of a puppet currency in the occupied areas. But this did not mean, as Japanese officials sometimes asserted, that such actions were intended primarily to keep Chinese resistance to Japan alive. As a large economic stake holder in Japan's military expansion, the United States remained unwilling to support either the treaty rights and privileges of other powers in China or the obligations Washington had incurred to support a unified and sovereign Chinese state from the threat of Japanese dismemberment. This attitude was in no fundamental sense altered during the course of events at Tientsin.

With the commerce treaty abrogation notice, many expected the United States finally to adopt more common strategies with powers such as Britain to reign in Japan. Their hopes were short-lived. The decision to abrogate the trade treaty was an internal U.S. matter having more to do with empowering the Executive over the Legislature in its dealings with Japan than the result of U.S. disapproval of any particular Japanese action in Asia. Because in a treaty-

less situation the U.S. administration would be able to impose restrictions on Japanese goods without having to get Congressional approval (in the form of amending or overturning the trade treaty), this action was eventually to prepare the way for a more forceful United States stand against Japan in the future. But much to British and Chinese disappointment, there was no immediate movement towards the imposition of an Anglo-American economic embargo upon Japan. The United States also continued to remain aloof from the Tokyo Conference, even encouraging Britain and Japan at the end of August to seek common ground over currency.

It is difficult, therefore, to see the escalation of the Tientsin Incident or the failure of the Tokyo Conference as being caused by -- or even having a marked effect in causing -- a closure of ranks against Japan by the United States and Britain. With the diplomatic situation so fluid, it is unlikely that such a development would have occurred even had Japan concluded a military alliance with Germany. Instead, Japan's relations with its rivals remained coloured by uncertainty and flux, as well as levels of conflict and collaboration that were far more complex than their official foreign policies ever admitted. With these countries' actions sometimes characterized merely in terms of 'support for free trade', 'recognition of the Open Door', 'opposition to Japanese aggression' or 'co-operation with the New Order

in East Asia', there was a tendency to promote the oversimplified impression that there was more polarization than there really was, and that there was therefore no longer anything upon which they all could agree, or anyone against whom they all could act.

This was not the case. In perhaps one of its potentially most enduring lessons for posterity, the Tientsin Incident offers an opportunity of appreciating how the contradictions characterizing the relations between the imperial powers were accompanied by a strengthening common desire to acquiesce in the process of withdrawing from China and its people any international recognition of their legal and diplomatically guaranteed right to exist as an independent state and nation. It is safe to say that none of the major Powers' actions over Tientsin were dominated by respect or concern for Chinese sovereignty. There were even blatant violations of the extra-territorial provisions that first undermined the integrity of China by creating the legal framework in which the foreign areas could exist. In this sense, the Tientsin Incident can be viewed as a harbinger for the conflicts and tragedies that would bedevil the efforts of post-war Asian liberation movements in their quest for a greater control over their own national destinies.

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Preface

¹ Cabinet Conclusions 40(39)4, 2 August 1939, CAB 24/100. Public Record Office, Kew.

² The volume of these materials was apparently a fortuitous result of their having been preserved in the Foreign Ministry archives as an Anglo-Japanese rather than a Sino-Japanese matter.

³ Quotations from Ienaga Saburo (translator Frank Baldwin), The Pacific War: World War II and the Japanese, 1931-1945, Pantheon Books, New York, 1978, p. 85.

⁴ Figures from Fujiwara Akira, Taiheiyo Senso Shi Ron, Aoki Shoten, Tokyo, 1982, pp. 44-5.

⁵ Fujiwara, 1982, p. 45.

⁶ Peter Calvocoressi, Guy Wint and John Pritchard, Total War: The Causes and Courses of the Second World War, Volume II: The Greater East Asia and Pacific Conflict, Penguin Books, London, 1989, p. 223.

⁷ Francis C. Jones, Shanghai and Tientsin, Studies of the Pacific No. 5, Institute of Pacific Relations, New York, 1940.

⁸ Frederick T. Merrill, Japan and the Opium Menace, Institute of Pacific Relations, 1942, pp. 49-50, 98.

Chapter One: The Origins of the Tientsin Incident

¹ According to a 27 August 1939 High Court (King's Bench) ruling, "Tientsin is not a part of the world over which the King exercises territorial sovereignty," but is simply a "lease of land over which Britain is granted, by treaty, the right to administer, on foreign soil, justice to British subjects." Public Records Office (hereafter cited as FO), Kew, London, F9316.

² Quoted in Francis C. Jones, Shanghai and Tientsin, Institute of Pacific Relations, New York, 1941.

³ There were about 1,400 British nationals within the British Concession. Other foreigners apart from the Japanese within Tientsin area amounted only to about 3,600 (of which 2,300 were Russian). Yet, population of French Concession and Italian Concessions was estimated at 75,000 and 14,000 respectively. Within the Japanese Concession, there were possibly about 10,000 foreigners for about 26,000 Chinese. See Jones, 1941; Japan Advertiser, 1 August 1939. Quoted in archives of Japanese Ministry of Foreign Affairs (hereafter cited as JMFA), S.1.1.1.0-54, Vol. 8, p. 22.

⁴ See affidavit of Sir John Brennan, 29 August 1939: "The territory of the area (of the British Concession) is foreign territory." The "Foreign Jurisdiction Act (of 1890)" and "previous treaties" "lay out that British courts in China have no jurisdiction to try Chinese subjects or any subject except for British subjects for crimes, even within the municipal area (of Tientsin," of which the British Concession formed a part. FO, F9734.

⁵ For instance, as of 31 July 1939, there were apparently only five British nationals in the British Concession's Municipal Police Force, which was estimated by the local Japanese police to number about 630 at this time. See Craigie-Halifax, 31 July 1939, FO, F8169; see also JMFA S.1.1.1.0-54, Vol. 5, pp. 1-30.

⁶ Figures from 1 October 1940 North China Army General Staff report entitled, "Hokushi Homen Kyosan Seiryoku ni Tai suru Kansatsu" (Observations on Communist Influence in North China). Japan War Ministry, Rikushi Mitsu Dai Nikki, Vol. 40, 1940, no. 37, part 20. Reel T992 in Library of Congress microfiche collection.

⁷ See Boeicho Boei Kenkyusho Senshi Shitsu (War Room of the Defence Institute of the (Japanese) Self-Defence Agency), Hokushi no Chian Sen - 1 (War To Preserve Security in North China - 1), Asagumo Shimbunsha, Tokyo, 1968, p. 3; For figures on troop strength, see Japan Monographs, no. 178, pp. 202, 213. United States National Archives (hereafter cited as USNA), Washington D.C. For divisional strength of the North China Army, see Hokushi Homengun Shizeikan Jidai, pp. 87-88.

⁸ See Field Operations Reports Nos. 1157 and 1165, written by US Military Attaches Maxwell Taylor and Elmer Court, for February and March 1939. USNA, War Department, 2657-H-439/1157, 2657-H-439/1161. Quote from U.S. Department of the Army, Japan Monograph No. 178, p. 204.

⁹ In response to an explosion of guerrilla activity in the summer of 1938, the Japanese had to bring in 60,000 troops from elsewhere to combat guerrillas in East Hopei, "the district longest under Japanese influence and weakest in guerrilla activity." See George E. Taylor, Japanese-Sponsored Regime in North China, Institute of Pacific Relations, 1939, pp. 29-35.

¹⁰ See especially report of US Naval Attache, Peking, 22 December 1938. USNA, Office of Naval Intelligence (ONI) ONI/728. By the end of 1938, according to this report, Communist Armies held 12 districts in Hopei. The report went on to say that "the greater part of Hopei between the Peiping-Hankow and the Tientsin-Pukow (railway) lines as far as the Yellow River is.. in Chinese hands."

¹¹ See Joint ^{Blood and Iron} Special Services and Military Police Report No. 594 of June 1939, entitled, "Chuo Konichi Tekketsu Satsu Kandan" (Main Anti-Japanese ~~Assassination~~ ^{Blood and Iron} Group), in Gendaishi Shiryo 13, Nicchu Senso 5 (hereafter cited as Gendaishi Shiryo 13-5), Misuzu Shobo, Tokyo, 1978, pp. 192-200.

¹² Israel Epstein, The Peoples War, Gollancz, London, 1939; US Naval Attache, Peking, report of 22 December 1938. USNA, ONI/728.

¹³ Joint Special Services and Military Police Report No. 594 from Tientsin, 16 June 1939, (Shi Ten Ken-To Dai 594 Go) on the "~~Arrest of The~~ Kuomintang Anti-Japanese Blood and Iron Assassination Group" (Chuo Konichi Teiketsu Satsukan Dan). Gendaishi Shiryo 13-5, pp. 192-200.

¹⁴ According to the Japanese military police, the Concessions were being used to send messages by unauthorized radio signals about Japanese troop movements to the Kuomintang via Hong Kong and also as a depository for Comintern funds to finance Communist groups. See 21 June 1939 military police report from Tientsin in Gendaishi Shiryo 13-5, p. 185-192, in particular, p. 186.

15. In a meeting on 27 July, Consul Tanaka and Major Ohta informed Consul Herbert that the most senior Chinese officer within the British Concession's Municipal Police Force was probably receiving \$500 a month from Chungking, attending joint-KMT/CCP meetings, under the guise of controlling dissent "actually taking the lead in anti-Japanese activities within the Concession" and ensuring that prominent anti-Japanese activists were not handed over to the District Court by investigating them inadequately and then persuading them to withdraw confessions they subsequently made to the Japanese. Nine other Chinese officers within the Force were also suspected of being "anti-Japanese." JMFA S.1.1.1.0-55, Vol. 2, pp. 240-45.

16. See, for example, 8 December 1938 report of General Joseph Stillwell, "Notes on Guerrilla Activity," USNA, Record Group (RG) 165, Stillwell Reports, 2657-H-439/1044,1055.

17. See remarks of Consul Herbert and Police Chief Dennis on 26 and 31 July 1939. JMFA S.1.1.1.0-55, Vol. 2, pp. 215-226, 315-322.

18. Craigie-Halifax, 5 August 1939. In Sir Ernest Llewellyn Woodward and others (ed), Documents on British Foreign Policy, 1919-1939, Series Three, Volume Nine (hereafter cited as DBFP 3-9), Her Majesty's Stationary Office, London, 1955, p. 400.

19. JMFA, S.1.1.1... 0-55, Vol. 2, pp. 215-216.

20. JMFA, S.1.1.1... 0-55, Vol. 2, pp. 315-322.

21. According to Ambassador Craigie, almost everything that was viewed in the Concession had "already been shown in the International Settlement in Shanghai where a strict censorship is enforced (in which the Japanese participated) and that, in any event, lists had to be provided in advance to the British Municipal Police, who could arrange a preview if they wanted." Craigie-Halifax, 5 August 1939, DBFP 3-9, p. 402.

22. See especially April 1940 report on terrorist activities in Tientsin since 1938 by Japanese Consulate, Tientsin. JMFA, S.1.1.1.0-54, Vol. 9, pp. 425-650 (especially pp. 425-446).

23. According to Consul Herbert, the schools within the British Concession had been using textbooks approved by the Japanese and the Provisional Government since February 1939. JMFA S.1.1.1..0-55, Vol. 2, p. 216; Craigie-Halifax, 28 July 1939, DBFP 3-9, p. 344.

24. Craigie-Halifax, 5 August 1939. DBFP 3-9, p. 404.

25. Since the outbreak of hostilities in July 1937, "no anti-Japanese outrage has occurred in the British Concession." Letter from Ambassador Craigie to Foreign Minister Arita, 3 March 1939. JMFA S.1.1.1..0-54, Vol. 1, p. 218.

26. This was even to a large extent admitted by the Japanese. See, for example, 22 June 1939 memorandum of First Office of East Asia Bureau, Japanese Ministry of Foreign Affairs, JMFA S.1.1.1.0-54, Vol. 3, pp. 395-397, 442-455.

27. See, for instance, 23 April 1940 report by Japanese Consulate, Tientsin, on the History of Terrorist Activities in Tientsin from January 1938 Onwards. JMFA S.1.1.1.0-54, Vol. 9, pp. 425-446.

²⁸ DBFP 3-9, pp. 159-61.

²⁹ For more detailed discussion of procedures, see Consul-General Jamieson-British Embassy (Shanghai), 11 and 21 April 1939. DBFP 3-9, pp. 1-3, 19-20.

³⁰ See Jamieson-British Embassy (Shanghai), 11 April 1939: "I said that information as to where organizations existed need not be given to B.M.C. (British Municipal Council) Police. Instead, Japanese gendarmerie should lead B.M.C. Police to the spot." DBFP, 3-9, p.3.

³¹ In a 13 October 1938 telegram to the British Embassy at Shanghai, the British Consul-General suggested expelling an internee in such a way that "I should naturally communicate privately to my Japanese colleague when and where the exit would be." The use of the word "naturally" suggests that the practice of "tipping off" the Japanese in advance had been occurring for some time. See DBFP 3-8, p. 554. An indication of such practice in French Concession occurred on 8 February 1939, with the "enticement" and "arrest" of two Chinese suspects at the exit of the French Concession into the Japanese Concession. See Gendaishi Shiryo 13-5, p. 195.

³² In a 12 August 1939 memorandum to the British Foreign Office, the Chinese Government used these arguments to support its contention that the handing over of Chinese subjects to the puppet regime was contrary to Article 21 of the 1858 Treaty of Tientsin and therefore illegal. See FO, F8856.

³³ See Ambassador Craigie-Foreign Minister Halifax, 4 and 11 October 1938. DBFP 3-8, pp. 551, 553.

³⁴ See Ambassador Clark-Kerr-Halifax, 4 October 1938. DBFP 3-8, p. 552.

³⁵ Jamieson-British Embassy, Shanghai, 13 October 1938, FO F10788/717/10.

³⁶ See DBFP, 3-8, pp. 114-15.

³⁷ See Craigie-Halifax, 11 October 1938, DBFP, 3-8, p. 553.

³⁸ Sir Edward Hertslet, Treaties Between Great Britain and China, Homson, London, 1896, Vol. One, p. 23.

³⁹ See, for example, Jamieson-Halifax, 6 June 1939: "arrest warrants (for ordinary criminal suspects) have been executed for the past 22 months." FO, F5380/1/10.

⁴⁰ English translation of 22 July 1939 Foreign Ministry memorandum. JMFA S.1.1.1.0-55, Vol. 2, p. 80.

⁴¹ See Jamieson despatches nos. 100,141,144,153 and 159. DBFP 3-8, pp. 314-315, 323, 335, 557-558. See also 22 June 1939 report of First Office of Foreign Ministry's East Asia Bureau and 23 April 1940 report of Japanese Consulate at Tientsin. JMFA, S.1.1.1.0-54, Vol. 3, pp. 395-397; Vol. 9, pp. 434-445. See also Uchiyama Masataka, "Tenshin Eikoku Sokai Fusa no Haikei," in Gendai Nihon Gaikoshi Ron, Keio Daigaku Hogaku Kenkyukai, Vol. 33, pp. 243-244.

⁴² See Usui Katsumi, "Nihon Senryochi to Rekkoku no Kankei," in Nippon Kokusai Seiji Gakkai, Taiheiyo Senso Gen'in Kenkyubu (ed), Taiheiyo Senso E no Michi (Road to the Pacific War), Asahi Shimbunsha, Tokyo, 1962-63, Volume 5 (Nitchu Senso), p. 175. See also 7 March 1939 letter from Jamieson to Consul-General Tashiro: "I received information last night that there might be attempts during the next few days on the part of Japanese terrorist organizations to commit acts of terror." JMFA S.1.1.1.0-54, Vol. 1, p. 255.

⁴³ According to Jamieson, "General Homma is known to be the most pro-British General in the Japanese army." Jamieson-Halifax, 1 June 1939. DBFP 3-9, ~~p. 2~~ See also Jamieson-Halifax, 8 February 1939, DBFP 3-8 ~~p. 2~~ For background on Homma, see Arthur Swinson, Four Samurai: A Quartet of Japanese Army Commanders in the Second World War, Hutchison, London, 1968.

⁴⁴ Quote from 22 June 1939 report of First Office of the Foreign Ministry East Asia Bureau. JMFA S.1.1.1.0-54, Vol. 3, p. 397.

⁴⁵ See 10 February 1939 despatch from Tashiro to Foreign Minister Arita. JMFA S.1.1.1.0-54, Vol. 1, p. 176. See also 22 June 1939 report of First Office of the Foreign Ministry East Asia Bureau. JMFA S.1.1.1.0-54, Vol. 3, p. 446.

⁴⁶ Tashiro-Arita, 22 February 1939. JMFA S.1.1.1.0-54. Vol. 1, p. 187.

⁴⁷ For text of proclamation, see DBFP 3-8, No. 559, note 4, p. 512. See also p. 520.

⁴⁸ See 16 March 1939 despatch, Consul-General Miura (Shanghai)-Arita. JMFA S.1.1.1.0-54, Vol. 1, p. 277.

⁴⁹ Comments of Sir John Brennan, 22 May 1939. FO F4808/1/10

⁵⁰ See, for instance, Scott memorandum of 6 April 1939: "General Piggott, as one might have expected, seems to indicate that it is for us, and not the Japanese, to take early steps to alleviate the situation. And one can almost feel him thrill with emotion as he reflects on the uniqueness of the privilege granted to him." FO, F3449/1/10.

⁵¹ Reaction of Far Eastern Department officials Brennan, Howe and Ronald dated 23 March 1939 to Craigie's proposal to send Piggott on a mission to Tientsin. FO F2867/1/10.

⁵² See Piggott's report, dated 19 April 1939, which was received in London at the end of May. FO F5167/1/10.

⁵³ "Understanding" over joint-raids, arrest and handover of "undesirables", as well as the idea of a Japanese advisor working out of the British Concession, seemed to have been arrived at in meeting between Piggott and Sugiyama in Peking. See Tashiro-Arita, 10 April 1939. JMFA S.1.1.1.0-54, Vol. 1, pp. 296-297, 298-299. Shortly after Piggott left Tientsin, Jamieson talked about "the local atmosphere" having been "greatly improved" and "all the good that has been done." This was clearly in reaction to the Piggott visit. Jamieson-Halifax, 1 May 1939. DBFP 3-9, pp. 32-33.

Chapter Two: The Outbreak of the Tientsin Incident

¹ Jamieson-British Embassy (Shanghai), 10 April 1939. DBFP 3-9, p. 1. See also report entitled "Tenshin Ei-Futsu Sokai Mondai no Keiei," (Development of the Problem of the British and French Concessions at Tientsin) by Police Chief Tashima. Gendaishi Shiryo, 13-5, p. 186.

² Piggott believed that, after meeting with General Shibayama in Peking about assassination, "he gave absolutely no hint of any idea of threats or reprisals against the concession." Jamieson, 11 April 1939. FO 3502/1/10.

³ Scott minute on despatch between Clerk-Kerr and Jamieson, 17 March 1939. FO, F2778/1/10.

⁴ See 16 June 1939 Joint Special Services and Military Police Report No. 594 from Tientsin (Shi Ten Ken-To Dai 594 Go) entitled, "Chuo Ko-Nichi Teiketsu Satsukan Dan" (~~Arrest~~ of Central Anti-Japanese Blood and Iron Assassination Group). Gendaishi Shiryo 13-5, pp. 192-200.

⁵ See Jamieson-British Embassy (Shanghai), 11 April 1939. FO F3633/1/10. According to 22 June 1939 report of First Office of Foreign Ministry East Asia Bureau, Jamieson gave a written statement to the Mayor of Tientsin on 12 April saying that the culprits would be handed over once arrested. JFMA S.1.1.1..0-54, Vol. 3, pp. 397-398.

⁶ See 21 June report, "Tenshin Ei-Futsu Sokai Mondai no Keiei," by Police Chief Tashima. Gendaishi Shiryo 13-5, p. 187.

⁷ See 17 February 1939 interview between Special Services Colonel Shibayama and Jamieson. FO, F3530/1/10. This information was subsequently repeated and elaborated upon in 27 July 1939 meeting in Tokyo between Consul Herbert, Consul Tanaka and Major Ohta. JMFA S.1.1.1..0-55, Vol. 2, p. 244.

⁸ On ^{the} ineffectiveness of ^{the} blockade, see especially Tashiro-Arita, 26 January 1939. JFMA S.1.1.1..0-54, Vol. 1, p. 158.

⁹ Jamieson-British Embassy (Shanghai) 21 April 1939. FO F3735/1/10. On British views concerning Li, see JMFA S.1.1.1..0-55, Vol. 2, pp. 244-245.

¹⁰ See Jamieson-British Embassy (Shanghai), 11 April 1939. DBFP, 3-9, p.3.

¹¹ Jamieson-British Embassy (Shanghai), 21 April 1939. FO, F3735/1/10.

¹² See Tashiro-Arita, 14 April 1939. JMFA S.1.1.1..0-54, Vol. 1, p. 310-311.

¹³ See Scott minute to Jamieson's 11 April 1939 telegram. FO, F3633/1/10.

¹⁴ Brennan minute. FO, F3735/1/10. 28 April 1939 Foreign Office telegram to British Embassy (Shanghai). FO, F3919/1/10.

¹⁵ Tashiro-Arita (telegram no. 514), 11 April 1939. Quoted in Uchiyama, p. 240. See also Jamieson-Tashiro, 10 April 1939. JMFA S.1.1.1..0-54, Vol. 1, p. 306.

¹⁶ Jamieson-British Embassy (Shanghai), 14 April 1939. FO, F3672/1/10.

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- ¹⁷ Jamieson-British Embassy (Shanghai), 19 April 1939. FO, F3892/1/10.
- ¹⁸ Jamieson-British Embassy (Shanghai), 19 April 1939. FO, F3917/1/10. See also 21 June 1939 report by Police Chief Tashima, Gendaishi Shiryo 13-5, p. 187.
- ¹⁹ Jamieson-British Embassy (Shanghai), 14 April 1939. FO, F3672/1/10.
- ²⁰ See Tashima report of 21 June 1939. Gendaishi Shiryo 13-5, p. 187.
- ²¹ See particularly 16 June 1939 report by Military Police Chief Kikuchi. Gendaishi Shiryo 13-5, pp. 192-200 (especially pp. 193, 196-198).
- ²² See Scott minute on Jamieson's 14 April telegram. FO, F3672/1/10.
- ²³ For contents of confessions, Gendaishi Shiryo 13-5, pp. 196-198. See also 23 April 1940 report of Japanese Consulate in Tientsin. JMFA S.1.1.1.0-54, Vol. 9, pp. 455-458.
- ²⁴ Craigie-Halifax, 30 July 1939. DBFP 3-9. p. 362.
- ²⁵ See particularly Jamieson-British Embassy (Shanghai), 21 April 1939 and Jamieson-Halifax, 2 and 11 June 1939. DBFP 3-9, pp. 19-21, 159-61.
- ²⁶ See Jamieson-Halifax, 13 and 31 May 1939. DBFP 3-9 (Nos. 64, 134); Gendaishi Shiryo 13-5, pp. 197-198.
- ²⁷ See Jamieson-Halifax, 11 and 22 June 1939. DBFP 3-9, pp. 160, 216.
- ²⁸ See Halifax-British Embassy (Shanghai), 28 April 1939. FO, F3919/1/10. This telegram also stated that political offenders "whose activities" have "become a serious nuisance" should be "compelled to leave."
- ²⁹ See Jamieson-British Embassy (Shanghai), 1 May 1939. See also Jamieson-Halifax, 11 and 22 June 1939. DBFP 3-9, pp. 32, 160, 216.
- ³⁰ Jamieson-Halifax, 13 May 1939. DBFP 3-9, pp. 66-7.
- ³¹ Craigie-Halifax, 30 July 1939. DBFP 3-9, p. 362.
- ³² Clark Kerr-Halifax, 1 May 1939. DBFP 3-9, pp. 33-4.
- ³³ See 1858 Treaty of Tientsin. Hertslet, 1896, p. 23.
- ³⁴ See Jamieson-Halifax, 11 June 1939. DBFP 3-9, p. 160.
- ³⁵ Clark Kerr-Halifax, 1 May 1939, DBFP 3-9, pp. 33-4.
- ³⁶ Halifax-Clark Kerr, 8 May 1939. FO, F4183/1/10.
- ³⁷ This was part of Clark Kerr's original recommendation. See Clark Kerr-Halifax, 1 May 1939. FO, F4182/1/10.
- ³⁸ For Foreign Office position, expressed in telegram to Jamieson on 22 May 1939, see FO F4808/1/10.
- ³⁹ Clark Kerr-Halifax, 19 May 1939. DBFP 3-9, p. 83.

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- ⁴⁰ Jamieson-Halifax, 12 May 1939. FO, F4516/1/10.
- ⁴¹ Quotes from despatches from Commander of British troops, Tientsin (Brigadier Hopwood) to War Office, 12, 13 May 1939. FO F4616/1/10, F4517/1/10.
- ⁴² For Foreign Office position, see FO, F4808/1/10, especially telegram to Jamieson 22 May 1939.
- ⁴³ Jamieson-Halifax, 1 June 1939. DBFP 3-9, pp. 122-3.
- ⁴⁴ Jamieson-Halifax, 13 May 1939. FO 4531/1/10, 5300/1/10.
- ⁴⁵ Figures from a conversation between Brigadier Hopwood and General Homma. See Commander of British troops in Tientsin-War Office, 26 April 1939. FO, F3980/1/10.
- ⁴⁶ Conversation between Brigadier Hopwood and General Homma. See Commander of British troops in Tientsin-War Office, 23 May 1939. FO F5029/1/10.
- ⁴⁷ See especially JMFA S1.1.1... 0-54, Vol. 1, pp. 368-369.
- ⁴⁸ Quoted in Peking Chronicle, 6 May 1939. See Foreign Relations of the United States (hereafter cited as FRUS) 1939, Vol. 4, Department of State, U.S. Government Printing Office, Washington D.C., p. 170.
- ⁴⁹ See North China Army General Staff memorandum of 29 May 1939 entitled, "Tenshin Ei-Futsu Sokai ni Tai Suru Kosaku Yoryo An" (Proposed Strategy towards the British and French Concessions at Tientsin). In Gendaishi Shiryo 13-5, pp. 216-217.
- ⁵⁰ For description of currency conditions in North China, see Kuwano Hiroshi, Senji Tsuka Kosaku Shi Ron - Nitchu Tsuka no Bunseki (Historical Analysis of Currency Operations During the War - Investigation of ~~the~~ Sino-Japanese Currency War), Hosei Daigaku Shuppanyoku, 1965, Chapters 3 and 4, especially pp. 34, 37. See also Lincoln Li, The Japanese Army in North China: Problems of Political and Economic Control, Oxford University Press, 1976.
- ⁵¹ See "Rikugun Chuo no Shori Hoshin" (Army General Staff Policy for Dealing with the Situation). Gendaishi Shiryo 13-5, p. 216.
- ⁵² See 23 April 1940 report of Japanese Consulate on the Tientsin situation. JFMA S.1.1.1..0-54, Vol. 9, pp.446-449.
- ⁵³ Jamieson-Halifax, 1 June 1939. DBFP 3-9, (no 137).
- ⁵⁴ See Scott minute dated 1 June 1939 on General Piggott's report of his visit to Tientsin in April. FO, F5167/1/10.
- ⁵⁵ See 22 May 1939 instructions from Foreign Office to Jamieson. FO, F4808/1/10. With regard to those arrested for illegal possession of weapons, Jamieson said in an earlier telegram that, with power to hand over people in this category, "the onus would be on the culprit to prove to me that arms found on him were not for the purpose of committing acts of terrorism" -- i.e. the suspect would be treated as guilty unless he could prove he was innocent. DBFP 3-9, pp. 19-20.

⁵⁶ See Brennan and Howe minutes in FO, F4808/1/10. See also 5 June 1939 Foreign Office instructions to Craigie and Jamieson. FO, F5316/1/10.

⁵⁷ 5 June 1939 Foreign Office instructions to Craigie and Jamieson. FO, F5316/1/10.

⁵⁸ "Konji Tenshin Ei sokai no bawai ni oite sokai tokyoku ga hannin hikiwatashi o nakezu Sinagawa gyoseiken no koshi ni taishi seito no riyu nakushi." 12 June 1939 memorandum from the Second Office of the Foreign Ministry Treaty Bureau. JMFA S.1.1.1..0-54, Vol. 2, pp. 16-19.

⁵⁹ The order was transmitted through Clark Kerr on 6 June. FO, F5437/1/10.

⁶⁰ According to Jamieson, "the matter has been in abeyance" since "present impasse with reference to the four men arose." See Jamieson-Halifax, DBFP 3-9, pp 122-123.

⁶¹ See Arita-Tashiro, 6 June 1939. JMFA S.1.1.1..0-54, Vol. 1, pp. 421-425.

⁶² See in particular 22 June 1939 memorandum from East Asia Bureau on the Tientsin situation. JMFA S.1.1.1..0-54, Vol. 3, pp. 400-405. See also 18 June edition of Nichi Nichi. JMFA S.1.1.1..0-54, Vol. 2, pp 435-436.

⁶³ Japanese advisor Nakagawa Kosuke's comments to Jamieson, 12 June 1939. FO, F5697/1/10.

⁶⁴ Quoted in Japanese newspaper, Asahi Shimbun, 12 June 1939. JMFA S.1.1.1..0-54, Vol. 2, p. 15.

⁶⁵ "Mondai wa tannaru hannin hikiwatashi o motte todomaru beki seishitsu no mono de wa nai." Domei press release from Tientsin, 13 June 1939.

⁶⁶ See North China Army General Staff Order No. 11 from Chief of Staff, General Sugiyama Gen, to 27th Division at Tientsin. JMFA S.1.1.1..0-54, Vol. 2, pp. 58-62; Uchiyama, pp. 220-221.

⁶⁷ See North China Army's "Dai Ichi Hoshin," 12 June 1939 and 14 June despatch from Counsellor Horinouchi (Peking) to Arita. JMFA S.1.1.1..0-54, Vol. 2, pp. 26-28, 81-83.

⁶⁸ JMFA S.1.1.1..0-54, p. 62; Uchiyama, p. 221.

⁶⁹ See Foreign Ministry telegram No. 1430 to Tashiro, 6 June 1939, entitled "Tenshin Sokai Mondai ni Kan Suru Ken." Uchiyama, p. 225; JMFA S.1.1.1..0-54, Vol. 1, pp. 421-425.

⁷⁰ See Cabinet minutes for 15 June 1939. FO, F5801/1/10.

⁷¹ See minutes written on 9 June 1939 by Howe and George Mounsey, as well as Cabinet Conclusions for 31 May 1939. FO F5801/1/10, F5519/1/10.

⁷² Letters of Prime Minister Neville Chamberlain to his sister, 17 and 25 June 1939. Neville Chamberlain papers, Birmingham, NC18/1/1103.

⁷³ See Ambassador Shigemitsu Mamoru (London)-Arita, 13 June 1939. JMFA S.1.1.1..0-54, Vol. 2, p 74.

⁷⁴ See Secretary of State Cordell Hull-Consul General Caldwell (Tientsin), 13 June 1939, and Hull-Charge Eugene Dooman (Tokyo), 19 June 1939. FRUS, 1939, Vol. 4, pp. 177-178, 185.

⁷⁵ See Dooman-Hull, 13 June 1939. FRUS, 1939, Vol. 4, pp. 178-179.

⁷⁶ Asahi Shimbun, 18 June 1939. JMFA S.1.1.1..0-54, Vol. 2, p. 390.

⁷⁷ Conveyed in telegram from Craigie to Halifax, 14 June 1939. FO, F5786/1/10. See also DBFP 3-9, p. 212.

⁷⁸ Jamieson-Halifax, 11 June 1939; Halifax-Jamieson, 21 June 1939. DBFP 3-9, pp. 159-161, 212-213.

⁷⁹ See 18 June edition of Nichi Nichi and 22 June East Asia Bureau report on the Tientsin problem. JMFA S.1.1.1..0-54, Vol.2, p. 435-436; Vol. 3, pp. 397-398. See also Jamieson-Halifax, 11 and 15 June. DBFP 3-9, pp 159-161, 179-180.

⁸⁰ There were also indications that, even in the opinion of senior Far Eastern Department officials, it was not Jamieson but Clark Kerr that was to blame. As late as 6 June 1939, Brennan had been complaining that "Sir A. Clark Kerr and his staff seem to know very little about conditions at Tientsin" and that it was this -- i.e. the realization shared by Jamieson that "his own chief is talking nonsense" -- that has been "part of our difficulty in dealing with the situation." FO, F5380/1/10.

Chapter Three: The Widening of the Crisis (1): The Economic Dimension

¹ See in particular 6 June 1939 tel. no. 1430 from Foreign Ministry East Asia Division to Counsellor Horinouchi (Peking) entitled "Tenshin Sokai Mondai ni Kan Suru Ken." Quoted in Uchiyama Masataka, in Gendai Nihon Gaikoshi Ron, Keio Daigaku Hogaku Kenkyukai, Vol 33, p. 225. See also 17 June 1939 War Ministry-General Staff document, "Tenshin Sokai Mondai Shori ni Kan Suru Ken." Quoted in Gendaishi Shiryo 13, Nitchu Senso 5 (hereafter cited as Gendaishi Shiryo 13-5), Misuzu Shobo, Tokyo 1978, p. 217.

² Direct British investment in China was consistently over 30% of all foreign investment in the country, with a total figure in 1931 estimated to be almost \$1,200 million. Although this figure might have been slightly exceeded by Japan by 1936, it was still much more than the total figure for the United States, France and Germany combined. See C.F. Remer, Foreign Investments in China, New York, 1933, pp. 74-76; Hou Chi-ming, Foreign Investment and Economic Development in China 1840-1937, publisher, 1965, p. 17. See also Japan Yearbook 1943-1944, p. 965; Chinese Yearbook 1936-1937, p. 135.

³ Throughout the period Britain, in conjunction with Empire and Dominions (especially Indian cotton and Australian foodstuffs), was China's biggest western trade partner, accounting for about 19% of Chinese trade, a slightly smaller figure than Japan. Britain consistently dominated Chinese international, coastal and river shipping, between about two and five times the tonnage of Japan, its nearest rival. See ^{the} December 1939 memorandum submitted to the British Foreign Office entitled "Some Effects of Japanese Action in China upon Western Influence and Commercial Interests," tables 4, 5, 6 and 7, pp. 5-9. Public Records Office (hereafter cited as FO), Kew, London, FO371/23487/84407.

⁴ In 1930, Britain held \$225.8 million of Chinese government obligations, about 19% of British investment in China and almost 32% of all foreign holdings in this category. Japan acquires a dominant position in this category by 1936. See Remer, 1933, p. 406; Hou Chi-ming, 1965, p. 229.

⁵ As a result of civil war in the 1920's and burdensome government debt, obligations, particularly with regard to the 1900 Boxer indemnity, railway loans and a number of Japanese loans undertaken by Peking government, during the 1920s, amounted to Chinese π \$142 million. Total revenue of Chinese government for 1931, according to 1938 China Yearbook (p. 471), amounted to Chinese \$553 million. This meant that "even excluding the Boxer indemnity, the total payment on account of foreign debts (interest plus amortization) would have amounted to... 36% of the actual (government) cash receipts in 1931. Hou Chi-ming, 1965, p. 43.

⁶ "Customs revenues were pledged as security for foreign loans as early as 1861...." and "placed in the custody of specified foreign banks, and not until the obligations of foreign debts had been met could the customs receipts be drawn upon by the Chinese government." Hou Chi-ming, 1965, p. 37.

⁷ See, in particular, ^{the} 1936 statement of Treasury representative in China, Sir Frederick Leith-Ross: "The credit of China, both external and internal, depends on the maintenance of the revenues from the Maritime Customs and any action which undermines those revenues undermines the stability of China" (Leith-Ross notes). Documents on British Foreign Policy, Second Series, Vol. 20 (hereafter cited as DBFP 2-20), Her Majesty's Stationary Office, London, 1985, p. 1013.

⁸ By 1936, Japan had surpassed Britain as the largest foreign investor in China and the largest Chinese government creditor. See Hou Chi-ming, 1965, p. 225, 229, (tables 45 and 48).

⁹ Japan's cotton industry in particular stood to be adversely affected by British imposition of 10% tariff and system of imperial preference policies, together with ^{the} departure from gold standard, 1931-1932. With pressure also to abolish ^{the} 1904 treaty between Japan and India (happened eventually in 1937), Japanese textiles stood to lose markets in India, Egypt and Dutch East Indies. See Ann Trotter, Britain and East Asia 1933-1937, London, 1975, Chapter Two.

¹⁰ 89% of Japan's entire foreign investment was in China. Chinese investment by contrast accounted for less than 6% of Britain's total foreign investment. Trotter, 1975, Chapter One.

¹¹ Japanese interest was particularly focused upon developing a close economic relationship between Manchuria (Manchukuo) and the Provinces of Chahar, Hopei, Suiyan, Shansi and Shantung. Most Japanese economic activity was centred in the province of Manchuria, which, by 1931, accounted for 63% of its direct investments in China, amounting to about US\$550 million. With the 1931 take-over of the province and the 1935 purchase of Russian-owned Chinese Eastern Railway, this figure increased to US\$830 million by 1936. Remer, 1933, pp. 472-473; Hou Chi-ming, 1965, p. 15.

¹² Britain and the other Nine Power Treaty signatories (especially Japan) could not agree to the extent of tariff autonomy to be granted to China in discussions from 1925 onwards. While Britain and United States,

in hopes of bolstering the 1928 Nanking regime's chances to become the national government of China, agreed in theory to giving up extra-territoriality by 1932, with Japan's invasion of Manchuria in 1931, this was not put into practice. There was also considerable opposition to ending extra-territoriality within Britain's China Lobby (particularly Hong-Kong based shipping and banking interests) and the Treasury. For discussion of extra-territoriality question, see William G Beasley, Japanese Imperialism 1894-1945, Oxford, 1987, pp. 170-174.

¹³ Mitani Taichiro, "Kokusai Kinnyu Shihon to Asia no Senso" (War in Asia and International Finance Capital), in Kindai Nihon to Higashi Asia, 1980, pp. 146-147.

¹⁴ For organization and influence of China lobby and its effect on British government policy, see Stephen L. Endicott, Diplomacy and Enterprise. British China Policy 1933-1937, Manchester, 1975, pp. 90-106; Trotter, 1975, Chapter Two.

¹⁵ China first made request for a currency stabilization loan in 1934 through retiring Inspector General of the Chinese Maritime Customs, Sir Frederick Maze, that was turned down by London until it had undertaken a study of China's financial situation. This was to be carried out by the 1935-1936 Treasury mission to China under Sir Frederick Leith-Ross. Kibata Yoichi, "Reesu-Rosu Shisetsu to Ei-Chu Kankei" (Leith-Ross Mission and Anglo-Chinese Relations, in Nozawa (ed), Chugoku no Kinsei Kaikaku to Kokusai Kankei (China's Financial Reforms and International Relations), Tokyo Daigaku Shuppankai, Tokyo, 1981, pp. 200-206.

¹⁶ 22 June 1936 Shanghai press statement in "Notes by Sir F. Leith-Ross on his mission to China," (Leith-Ross notes) (23 July 1936), DBFP 2-20, p. 1006.

¹⁷ "I did not bring any cut and dried scheme out with me" for "the Chinese Government," and "before any such scheme could be devised... the Chinese Government decided to adopt an inconvertible managed currency..." a "bold step" for which "I had no responsibility." Leith-Ross notes, 1936, DBFP, 2-20, p. 1004.

¹⁸ Development of British interest in selling capital goods, heavy industry and communications equipment was in part the consequence of the inability of British textiles to undercut prices of nascent Chinese cotton industry. Endicott, 1975, Chapter One.

¹⁹ See Memorandum sent to Sir F. Leith-Ross by General Isogai, 13 June 1936 in Leith-Ross notes, DBFP, 2-20, pp. 1014-1015. See also 1937 statement of British intentions by Omura Tatsuo: "Eikoku ga Nankyo seifu o shiji shite uru toki, soshite, sono mokuteki ga, jiko no shihai o kakuritsu suru koto ni aru to wa ie, sore wa kansetsuteki ni wa, Nankyo seifu no toitsu seisaku o shiji suru koto ni nari" (By supporting the China unification policies of the Nanking government, Britain wishes to extend its indirect control over the Chinese government). Quoted by Kibata in Nozawa, 1981, pp. 254-255.

²⁰ Under the two-tiered banking system, large numbers of small native banks would be dominated by small group of Concession-based foreign banks (such as Yokohama Specie Bank, Hongkong and Shanghai Bank, Indo-China Bank, National City Bank) with vastly greater capital, reserves and deposits. But the relationship between the two sectors became uncertain with creation of four national banks by the Chinese government in the early 1930s and then the Chinese currency reform of 1935. For

discussion of banking system in China during the mid-1930s, see Kuwano Hiroshi, Senji Tsuka Kosakushi Ron, Hosei Daigaku Shuppansha (Hosei University Press), 1965, pp. 4-13.

²¹ Unable to obtain international support for a currency stabilization loan after the 1935 reform and unwilling to go through with a 20 million pound reconstruction loan in 1937 because of the worsening war conditions, Britain first granted financial assistance to China on 9 March 1939, with its decision to set up a ten million pound sterling currency stabilization fund. By June of that year, the funds were exhausted as a result of the inflated value of the currency. See Kuwano, 1965, p. 40; Endicott, 1975.

²² Leith-Ross notes, 1936, DBFP 2-20, p. 1020-1021.

²³ "Some Effects of Japanese Action in China upon Western Influence and Commercial Interests," November 1939. FO, FO371/23487/84407, pp. 10-12.

²⁴ Leith-Ross notes, 1936, DBFP 2-20, p. 1021.

²⁵ Comments by General Isogai, 13 June 1936, and Omura Tatsuo 1937. For Isogai comments, see Leith-Ross notes, 1936. DBFP 2-20, pp. 1014-1015; for Omura comments, see Mantetsu Chosa Geppo (Monthly Survey of South Manchurian Railway Company), 1937, pp. 17-18. Quoted also in Kibata article in Nozawa, 1981, p. 225.

²⁶ For discussion of British actions, see Endicott, 1975; for Japanese nationalist response, see Nagai Kazushi, "1939 No Hai-Ei Undo" (1939 Anti-British Movement), in Gendai Nihon Kenkyu - 5 (Modern Japanese Studies, Vol. 5), Yamakawa Shuppansha, 1983, pp. 191-209, (especially pp. 197, 199, 207).

²⁷ In comments that to some extent reflect Japanese sentiment of the time, Endicott described the proposed British currency loan of 1935 in terms of adhering to "the objectives of an earlier era to exercise control over China." Endicott, 1975, p. 107.

²⁸ For discussion of internal migration flows to Manchuria and its effects, see Herbert P. Bix, "Japanese Imperialism and the Manchurian Economy, 1900-1931," in China Quarterly, July-September 1972, no. 51, pp. 425-429. See also Gavan McCormack, Chang Tso-lin in Northeast China, 1911-1928: Japan and the Manchurian Idea, Stanford University Press, 1977, pp. 5-8.

²⁹ See Leith-Ross, "Japanese Policy" and annex entitled "Memorandum on Japanese Policy in China," (8 June 1936), in Leith-Ross notes, 1936, DBFP 2-20, pp. 1008-1009, 1011-1013. See also Endicott, 1975.

³⁰ Leith-Ross notes, 1936, DBFP 2-20, pp. 1009, 1011-1013, 1021. For smuggling, see Imai Seiichi, Ju-go Nen Senso to Higashi Asia, Nippon Hyoronsha, Tokyo, 1978; and Nakamura Takafusa, Senji Nippon no Kahoku Keizai Shihai, Yamakawa Shuppansha, Tokyo, 1983.

³¹ See George E. Taylor, Japanese-Sponsored Regime in North China, Institute of Pacific Relations, 1939, p 20; "Leith Ross notes," 1936, DBFP 2-20, pp. 1012-1013.

³² In the absence of a national managed currency in Manchuria, it was much easier for the Japanese military to take over existing currencies, use their reserves to create a new currency, tie the currency unit to a

specific weight in silver and, because of its convertibility, gain international recognition for the new issue. See especially Kuwano, 1965, pp. 26-27.

³³ "Interior areas... controlled by the Chinese guerrilla forces," "make use of either the Chinese National currency or special currencies.." issued by "local administrations." "The death penalty is inflicted for the use or transport of Federal Reserve Bank" notes. "Some Effects of Japanese Action in China upon Western Influence and Commercial Interests," November 1939, FO, F371/23487/84407.

³⁴ With total reserves estimated at over 700 million Chinese dollars, the backing for the national currency was almost twenty times the amount that authorities in North China sought to raise for the puppet alternative. For figures, see Kuwano, 1965, p. 39; Arthur N. Young, China and the Helping Hand, 1937-1945, Harvard University Press, Boston, 1963.

³⁵ For amount of Chinese fapi circulating in North China at time of Japan's occupation, see figures drawn up by Mantetsu Chosabu (Research Division of Manchurian Railway Company), quoted in Kuwano, 1965, p. 34. See also Kuwano, 1965, pp. 4-7, 37-38. As late as July 1939, according to Japanese Foreign Ministry source, over 300 million yuen of fapi were still circulating. See 27 July 1939 comment by Asakai Koichiro, JMFA, S.1.1.1.0-55, Vol. 2, p. 263.

³⁶ Because of "Japan's failure to pacify the interior areas of China, the continuance of the war drain and the consequent lack of capital," Japan's North China Development Company -- a holding company 50% capitalized by the Japanese Government that was meant to draw in Japanese business investment and develop the region through investment in subsidiaries -- "remain largely in the paper stage" with Japanese company assets "little more than confiscated Chinese properties." "Some Effects of Japanese Action in China upon Western Influence and Commercial Interests," November 1939, FO 371/23487/84407.

³⁷ Quotations in this paragraph from Lincoln Li, The Japanese Army in North China: Problems of Political and Economic Control, Oxford University Press, 1976, pp. 142. Note also report of Annual Meeting of the Tientsin British Chamber of Commerce, 18 February 1939, section on currency: "The chief motive underlying the formation of the Federal Reserve Bank was that it should be the means of Japan recovering a large portion of her military expenses in China by means of a paper currency with no financial backing."

³⁸ Figures from Kuwano, 1965, pp. 18-19. See also Li, 1976, pp. 140-141.

³⁹ Figures from Young, 1963, pp. 30-31. Broken down, reserves were approximately 12 million yuen in British Concession, 28 million yuen in French Concession and 16 million yuen in Peking Legation Area. See Kuwano, 1965, p. 19; unsigned Japan Foreign Ministry memorandum dated 3 July 1939, JMFA S.1.1.1.0-55, Vol. 1, p. 65.

⁴⁰ The Japanese position was that since the Chinese banks within the British Concession were shareholders in the Japanese-created Federal Reserve Bank of North China and were under the authority of a committee appointed in March 1938 (replacing its Kuomintang-selected predecessor which supervised the withdrawal of silver in North China after the 1935 currency reform), they had no right to decide whether or not to hand over the assets. See 3 July 1939 unsigned Foreign Ministry memorandum,

JMFA, S.1.1.1.0-55, Vol. 1, pp. 73-76. See also comments of Minister Kato Sotomatsu, 28 July 1939, JMFA, S.1.1.1.0-55, Vol. 2, pp. 285-293.

⁴¹ Figures in Kuwano, 1965, pp. 18-20.

⁴² To launch a successful managed currency, it was estimated that reserves should be in excess of 40%. Failing to achieve anything remotely close to that figure, the Federal Reserve Bank notes were linked to the yen, in effect an invitation to print notes indiscriminately. Figures from Matsuzaki Yujiro, Hokushi Keizai no Shindoko, 1942, pp. 11-12; see also Taylor, 1939, pp. 110-111.

⁴³ Figures in Kuwano, 1965, p 42; see also China Press editions for 25, 28 April, 3 May 1939.

⁴⁴ The policy of forced conversion had by the end of July 1939 only resulted in an exchange of 16 million yuen of fapi notes into Federal Reserve Bank currency. That left in excess of 350 million yuen of fapi still circulating ~~in the region~~. See Kuwano, 1965, pp. 34, 37.

⁴⁵ Li, 1976, p. 138.

⁴⁶ Quotes from Li, 1976, p. 142.

⁴⁷ Official figures from 1935 to 1937 give North China a slight trade surplus with Japan. Whereas the figures were probably exaggerated in China's favour because of widespread smuggling of Japanese goods (which were not taken into official reckoning), by 1938-1940, North China (even in official estimates) was running up deficits of 65, 373 and 657 million Chinese yuen. Figures from Matsuzaki, p. 53.

⁴⁸ Li, 1976, p. 144. Taylor, 1939, pp 100; "Some Effects of Japanese Action in China upon Western Influence and Commercial Interests," FO, 371/23487/84407, pp. 2, 8, 15-16.

⁴⁹ Statement of Bank of Japan Chairman quoted in unpublished Diary of Hata Shunroku, Imperial Aide-de-Camp, Boeicho, Boei Kenshujo Senshishitsu (Archives of the National Self-Defence Agency).

⁵⁰ Taylor, 1939, pp. 110-111.

⁵¹ Figures from report by Japanese Consulate, Tientsin, 23 April 1940. JMFA, S.1.1.1.0-54, Vol. 8, pp 475-477.

⁵² Although the smuggling of Japanese goods into North China -- particularly cotton piece goods -- helped put numerous Chinese textile mills in the Concession areas out of business, which were soon to be bought up by Japan at very low prices. See Francis C. Jones, Shanghai and Tientsin: With Special Reference to Foreign Interests, Institute of Pacific Relations, New York, 1940. For relationship of Tientsin Concessions to East Hopei textile economy, see unpublished paper by Linda Grove (Sophia University, Tokyo), "Treaty Port and Hinterland: Revolution in a Semi-colonial Society," circa 1980.

⁵³ Kuwano, 1965, pp. 5-7, 39.

⁵⁴ For figures, see JMFA, S.1.1.1.0-55, Vol. 1, p. 65; for sterling equivalent, JMFA, S.1.1.1.0-54, Vol. 8, p. 245.

⁵⁵ Kuwano, 1965, p. 38.

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56 For a more detailed exposition of these arguments, see in particular, ^{the} 1 August 1939 report of Subcommittee for Economic Affairs, an Anglo-Japanese group set up in Tokyo to advise the Japanese and British negotiating principals on the economic conditions in North China. JMFA, S.1.1.1.0-55, Vol. 3, pp. 28-34.

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57 See in particular, 27 July 1939 remarks of Minister Kato Sotomatsu in Tokyo, JMFA, S.1.1.1.0-55, Vol. 2, pp. 258-260.

58 Remark of Major-General Muto Akira, Deputy Chief of the North China Army General Staff, to Ambassador Craigie in Tokyo, 29 July 1939. JMFA, S.1.1.1.0-55, Vol. 2, pp. 300-303.

59 "In interior areas which are controlled by the Chinese guerrilla forces the death penalty is inflicted for the use or transport of Federal Reserve Bank" currency. "Some Effects of Japanese Action in China upon Western Influence and Commercial Interests," November 1939. FO 371/23487/84407, p. 11.

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60 For instance, Chintow. See particularly, Craigie-Kato meeting in Tokyo, 27 July 1939. JMFA, S.1.1.1.0-55, Vol. 2, pp. 255-259.

61 In remarks made on 27 July 1939, Foreign Ministry delegate Asakai Koichiro estimated there was still in fact about 300 million yuen of Chinese national currency notes circulating in the region. JMFA, S.1.1.1.0-55, Vol. 2, p. 263.

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62 In memorandum of 3 July 1939, the Japanese Foreign Ministry admitted that it would be "very hard" to establish a successful currency system in North China. JMFA, S.1.1.1.0-55. Vol. 1, p. 64.

63 JFMA, S.1.1.1.0-55, Vol. 1, p. 62.

Chapter Four: The Widening of the Crisis (2): The Political Dimension

¹ See 15 June 1939 edition of Peking Chronicle; 13 June 1939 despatch from Consul-General Tashiro-Foreign Minister Arita, JMFA s.1.1.1.0-54, vol. 2, pp. 1409-152; 19 June 1939 Foreign Ministry memorandum, "Tenshin Ei-Futsu Sokai ni Taisuru Dainiji Kenmon Kensaku Mondai" (The Second Blockade and Inspection of the British and French Concessions at Tientsin), JMFA, S.1.1.1.0-54, pp. 328-337; 26 June police report from Tientsin, JMFA, S.1.1.1.0-54, Vol. 3, pp. 301-305; June 1939 report from the Federal Reserve Bank Tientsin branch, JMFA, S.1.1.1.0-54, Vol. 4, pp. 139-153.

² See 22 June 1939 report of First Office of the Foreign Ministry East Asia Bureau, JMFA, S.1.1.1.0-54, Vol. 3, pp. 395-397, 455-456.

³ See 13 June 1939 Order of the North China Army. JMFA, S.1.1.1.0-54, Vol. 2, p. 62.

⁴ Quote from 14 June 1939, Counsellor Horinouchi (Peking)-Arita, JMFA, S.1.1.1.0-54, Vol. 2, pp. 81-82.

⁵ See especially 23 June 1939 despatch from Lieutenant-General Sugiyama to Tokyo, JMFA, S.1.1.1.0-54, Vol. 3, p. 136. See also Sugiyama press briefing, 20 June 1939. FO, F6103/1/10.

⁶ See especially Commander of British troops, Tientsin-War Office, 21 June 1939. FO, F6134/1/10. Also, ^{the} first person to be killed during the blockade, by the electric wire that was activated at the blockade's commencement, was a "Chinese coolie." China Press, 24 June 1939. Concerning pressure on Chinese to leave their jobs, see 22 June 1939 report by Japan Foreign Ministry's Keizai Daiikkyoku Keizai Shitsu (^{Economic} ~~First~~ Section of the Economic Bureau), JMFA, S.1.1.1.0-54, Vol. 4, pp. 381-392. ^{First}

⁷ See June 1939 report from the Federal Reserve Bank branch in Tientsin, JMFA, S.1.1.1.0-54, Vol. 4, pp. 129-153; Tashiro-Arita, 15 June 1939, JMFA, S.1.1.1.0-54, Vol. 2, pp. 152-153.

⁸ About forcing Chinese "coolies" into Concessions to provoke "instability" and "price rises," see especially Tashiro-Arita, 13 June 1939, JMFA, S.1.1.1.0-54, Vol. 2, p. 65. About preventing Chinese from leaving the Concessions, see North China Press, 19 June 1939.

⁹ See in particular Tashiro-Arita, 22 June 1939, JMFA, S.1.1.1.0-54, p. 108; "Sokai Taisaku Ni Kankei Suru Busshi Kaisuke Hoshin An" (Proposal to Buy Up Goods as a Means of Dealing with the Concessions), 19 June 1939, JMFA, S.1.1.1.0-54, Vol. 2, p. 319.

¹⁰ Information from Tashiro-Arita, 22 and 27 June 1939, JMFA, S.1.1.1.0-54, Vol. 2, pp. 108, 302-307; June report of Tientsin branch of the Federal Reserve Bank, JMFA, S.1.1.1.0-54, Vol. 4, pp. 129-153.

¹¹ According to 29 June 1939 edition of the Yomiuri Shimbun, Prime Minister Chamberlain stated in Parliament on 27 June that 15 Britishers had been "insultingly treated." JMFA, S.1.1.1.0-54, Vol. 4, p. 410. British documents mention no more than three such incidents for the month of July.

¹² Quotes from Consul-General Jamieson's situation reports for Tientsin, 17, 18, 22 and 26 June 1939, as well as Daily Telegraph, 26 June 1939. FO, 5997/1/10, 6026/1/10, 6319/1/10, 6370/1/10 and 6390/1/10

¹³ See especially General Sugiyama-Tokyo General Staff, 23 June 1939. JMFA, S.1.1.1.0-54, Vol. 3, p. 136.

¹⁴ Jamieson situation report for 11 July 1939. FO, 7184/1/10.

¹⁵ Commander of British troops, Tientsin (Brigadier Hopwood)-War Office, 16 June 1939; Jamieson-Foreign Office, 17 June 1939. FO, 5946/1/10, 5994/1/10.

¹⁶ Jamieson-Foreign Office, 22 June 1939. FO, 6276/1/10.

¹⁷ Jamieson-Foreign Office, 29 June 1939. FO, 6556/1/10.

¹⁸ Jamieson-Foreign Office, 19 June 1939. FO, 5993/1/10.

¹⁹ Jamieson-Foreign Office, 19 June 1939; Hopwood-War Office, 21 and 29 June 1939. FO, 6027/1/10, 6785/1/10, 6134/1/10.

²⁰ Sir Miles Lampson, British High Commissioner to Egypt-Foreign Office, 27 June 1939. FO, FO 6452/1/10. Lampson had previously served seven years as Minister to China.

²¹ Comments of the South African Minister of Defence, quoted in the Daily Telegraph, 11 August 1939.

²² Comment of Sir Alexander Cadogan, 29 November 1938 (FO 13096/1/10). Quoted from Bradford Lee, Britain and the Sino-Japanese War 1937-1939, Stanford University Press, 1973.

²³ China Press, 14 August 1939.

²⁴ In Japanese police report from Tientsin, 24 July 1939, it was admitted that there was no anti-British movement carrying on within the Concessions. JMFA, S.1.1.1.0-54, Vol. 5, pp. 1-30 (especially p. 4).

²⁵ According to above-mentioned police report, 60 out of a total of 680 Chinese subaltern policemen within the British and French Concession Municipal Police Forces had been successfully forced to resign by 24 July 1939. JMFA, S.1.1.1.0-54, Vol. 5, p. 22.

²⁶ For intimidation of Chinese in British employment in Peking and Weihaiwei, Jamieson-Foreign Office, 25 July 1939, Archer (Peking)-Foreign Office, 5 August and 12 September 1939. FO, 7753/1/10, 9528/1/10, 10019/1/10.

²⁷ In this report, the 27 Division stated that although anti-Japanese activities within the Concessions were on the decline, it was -- at the same time as preventing the entry of "coolies" into the besieged areas in order to shut down economic activity -- authorizing and supervising the entry of a "sharp increase" in the number of students entering the Concessions who were engaged in efforts to "capture the hearts of the Chinese masses by inciting anti-British feeling" (Shina taishu no seishin o haaku shi, ko-Ei shiso o nao isso kochosu). Preventing opium from being smuggled into the areas was specifically mentioned as part of this strategy. JMFA, S.1.1.1.0-54, Vol. 5, pp. 136-141.

²⁸ Peking and Tientsin Times, 24 July 1939. (See also Jamieson-Foreign Office, 25 July 1939. FO, 7753/1/10.)

²⁹ Jamieson situation report for 26 July 1939. FO, FO 7719/1/10.

³⁰ Jamieson-Foreign Office, 24 July and 5 August 1939. FO, FO 7719/1/10, 8468/1/10. See also Far Eastern Department report, "Instances of Anti-British Agitation in China," FO 371/23486, pp. 5, 7.

³¹ Message gleaned from press articles enclosed by British Consul-General in Jamieson-Foreign Office, 9 September 1939. FO, 12299/1/10.

³² See 27 July 1939 speech made by Special Services Representative at Pooling to 180 Chinese workmen, in 1 November 1939 report, FO, F11403/1/10. See also references in 12 September 1939 Far Eastern Department memorandum on Japanese participation in anti-British activities in China to a) calls in Peking by Hsin Min Hui-sponsored anti-British protest for Britain "to be driven out of the Orient" in order to establish a "New Order in East Asia," and b) pamphlets dropped at Chefoo on 25 July calling "England the opium devil." FO 10039/1/10, pp. 2, 4.

³³ Canton Express, 16 July 1939. See also 2 August 1939 report of Canton Consulate to the Foreign Office. FO, 8277/1/10.

³⁴ Shun Pao (Shanghai), 17 July 1939. See also Consul-General, Shanghai-Foreign Office, 25 July 1939. FO, 8882/1/10.

³⁵ Examples of two posters viewed by Britishers in the Shanghai area at the end of July. Consul-General Shanghai-Foreign Office, 25 July 1939. FO, 8882/1/10.

³⁶ Consulate, Peking-Shanghai, 19 August 1939. FO, 11584/1/10.

³⁷ Ambassador Nelson T. Johnson-State Department, 13 August 1939. Foreign Relations of the United States, 1939, Vol. 3, Department of State, U.S. Government Printing Office, Washington D.C., pp. 207-208.

³⁸ Minutes of meeting between Consul Archer (Peking) and FO-British elements of the Chinese elite, 25 July 1939. FO, 371/23531/84596. See also Chinese Ambassador to France (Wellington Koo), 26 July 1939. Quoted in FO 7948/1/10.

³⁹ Ambassador Clerk Kerr-Foreign Office, 27 July 1939. FO, 8049/1/10.

⁴⁰ Remarks made in a press conference, 14 August 1939. See "Instances of Anti-British Agitation in China, June 15-August 15." FO, 371/23486, p. 8.

⁴¹ Document quoted above, pp. 6, 7.

⁴² Report of Major P. George, GS02 Intelligence, 11 November 1939. FO, F12077/1/10.

⁴³ See "Instances of Anti-British Agitation in China," FO, 371/23486.

⁴⁴ Major George in document cited two notes above.

⁴⁵ This concern was expressed within the North China Army, Japanese big business, the Navy and the press. For select examples, see 23 June 1939 statement of General Sugiyama Gen, JMFA, S.1.1.1.0-54, Vol. 3, p. 136; 17 June 1939 statement of Nakagawa Kosuke, Japanese "adviser" within the British Concession, JMFA, S.1.1.1.0-54, Vol. 2, pp. 206-209; memorandum from Mitsui to Foreign Ministry, 17 June 1939, JMFA, S.1.1.1.0-54, Vol. 2, pp. 211-214; and Navy Ministry document, "Tenshin Mondai ni Kanshi Kaigun Toshite Torubeki Tomen no Taisaku no Ken," especially reference to the need to "avoid a general conflagration at all costs" (zettai ni zenmen shototsu no jitai ni tachiitarashimezaru koto tosu). Gendaishi Shiryo 13, Nitchu Senso 5, (4th edition), Misuzu Shobo, 1978, p. 221.

⁴⁶ For discussion of this topic, see Chapter Six.

⁴⁷ Order of the North China Army, 13 June 1939. (Translation of "Hokushi no kensetsu ni kyoroku seshimuru gotoku...") JMFA, S.1.1.1.0-54, Vol. 2, p. 58.

⁴⁸ JMFA, S.1.1.1.0-54, Vol. 4, p. 417.

⁴⁹ The 1922 Nine Power Treaty, Article One, pledged the signatories to "respect the sovereignty, the independence and the territorial and administrative integrity of China," and "to refrain from taking advantage of conditions in China in order to seek special rights or privileges which would abridge the rights of subjects or citizens of friendly states." International Military Tribunal for the Far East (hereafter cited as IMTFE), International Prosecution Section (hereafter

cited as IPS), Box 2162, Document No. 467. United States National Archives, Washington (hereafter cited as USNA).

⁵⁰ Particularly Article Two pledging "High Contracting Parties" to "agree that the settlement or solution of all disputes or conflicts of whatever nature, or of whatever origin they may be, which may arise among them, shall never be sought except by pacific means." Quoted from Report adopted by the League of Nations, 24 February 1933 (U.S. Government Printing Office, 1933), from IMTFE/IPS, Box 2162, document no. 2162, USNA.

⁵¹ Particularly Article 10 of the Covenant, obliging members to "undertake to respect and preserve as against external aggression the territorial integrity and existing political independence of all members of the League." IMTFE/IPS, Box 2162, document no. 467. USNA.

⁵² See in particular Articles 3 and 4 of the Nine Power Treaty, pledging the Powers not to support "any arrangement which might purport to establish in favour of their interests any general superiority of rights with respect to commercial or economic development in any designated region of China" or "spheres of influence" or "monopolies, preferences which may deprive other Powers of legitimate trade." IMTFE/IPS Box 2162, document no. 467. USNA.

⁵³ In a paper dated 1 August 1935 entitled "Kokusai Kankei yori Mitaru Nihon no Sugata" (Japan's Position in International Relations), Shigemitsu Mamoru -- then Vice Foreign Minister and at this time Ambassador to London -- dubbed Western pronouncements about "their commitment to preserve peace" being simply "another name for saying they want to preserve the status quo" (heiwa iji wa genjo iji no betsumei de aru). JMFA, S 1200-39, Shigemitsu Taishi no Oshu Seikyoku Hokoku. See Usui Katsumi chapter in Ian Nish (ed), Anglo-Japanese Alienation, Cambridge University Press, 1982.

⁵⁴ This was particularly the case since almost 90% of Japan's entire foreign investment was located in China. Trotter, 1975, Chapter One.

⁵⁵ For discussion of these incidents, see Endicott, 1975.

⁵⁶ League of Nations Subcommittee report, September 1937 (accepted by the League of Nations Assembly, 6 October 1937). Quoted in Dorothy Borg, The United States and the Far Eastern Crisis of 1933-1938, Harvard University Press, 1964, pp. 362, 365. See also public statement of U.S. State Department, 6 October 1937, in Foreign Relations of the United States, Japan 1931-1941, Vol. 1, pp. 384, 397.

⁵⁷ The phrase was first coined in a proclamation on 3 November 1938 and then used in 25 November 1938 Five-Ministers' Conference. See Inouye Yuichi, "Arita no 'Koiki Keizai Ken' Shiso to Tai-Ei Kosho," in Kokusai Seiji, No 56 (1930 Nendai no Nihon Gaiko), Nihon Kokusai Seiji Gakkai (ed.), pp. 65, 68; Usui Katsumi in Nippon Kokusai Seiji Gakkai, Taiheiyo Senso Gen'in Kenkyubu (ed), Taiheiyo Senso E no Michi (Road to the Pacific War), Vol. 5, Asahi Shimbunsha 1962-63, pp. 170-171.

⁵⁸ See "Sir Robert Craigie to Japanese Minister for Foreign Affairs," 14 January 1939. Enclosure in Craigie-Halifax, 17 January 1939 (FO 2042/87/10), in Woodward (ed.) Documents on British Foreign Policy, Series 3, Volume 8 (DBFP 3-8), pp. 403-405.

⁵⁹ Quoted in Uchiyama Masataka, "Tenshin Eikoku Fusa no Haikei," in Gendai Nihon Gaikoshi Ron, Vol. 33, Keio Daigaku Hogaku Kenkyukai, p. 240.

⁶⁰ 17 June 1939 War Ministry-General Staff memorandum, "Tenshin Sokai Mondai Shori Ni Kan Suru Ken" (On Dealing with the Tientsin Concessions' Problem), Gendaishi Shiryo 13-5, p. 217.

⁶¹ Statement of Lieutenant-General Sugiyama Gen, 20 June 1939. FO 6103/1/10. Foreign Minister Arita Hachiro press conference, 14 June 1939. JMFA, S.1.1.1.0-54, Vol. 2, p. 416.

⁶² Shigemitsu-Arita, 20 June 1939. JMFA, S.1.1.1.0-54, Vol. 4, p. 48.

⁶³ See 3 July 1939 statement of War Ministry. Quoted in 4 July 1939 edition of Asahi Shimbun. JMFA, S.1.1.1.0-54, Vol. 4, p. 426. See 3 July 1939 statement from Asia Development Board. JMFA, S.1.1.1.0-55, Vol. 1, pp. 78-80.

⁶⁴ See 26 June 1939 memorandum from East Asia Bureau. JMFA, S.1.1.1.0-54, Vol. 3, pp. 275-280.

⁶⁵ See 19 June 1939 edition of China Press.

⁶⁶ 29 June 1939 memorandum of East Asia Division representative Aoki. JMFA S.1.1.1.0-55, Vol. 1, pp. 11-12.

Chapter Five: From Tientsin To Tokyo

¹ Showa 14 Nen No Kokusai Josei (International Conditions in the 14th Year of Showa (1939)) (hereafter cited as Showa 14 Nen), Nippon Kokusai Kyokai, Tokyo, 1941. See also East Asia Bureau memorandum on the evolution of the Tientsin Incident that states that the Army had imposed the blockade as an "act of self-defence." Archives of the Japanese Ministry of Foreign Affairs (hereafter cited as JMFA) S.1.1.1...0-54, Vol. 3, pp. 395-517 (especially p. 403).

² See in particular Article 11 of the 1889 Meiji Constitution. See also articles 3,4,5,10,12,13 and 14.

³ Translation of "genchi wa keizai mondai ga daiichi ni shite kono mondai sae kaiketsu sureba chian wa shizen ni kaizen seraruru beshi." From interview of North China Army General Staff representative by Colonel Horiba of the Army General Staff in Tokyo shortly after the imposition of the blockade. See entry for 27 June 1939 in unpublished diary of Imperial Aide-de-Camp and later War Minister, General Hata Shunroku (hereafter cited as Hata), Archives of the Japanese Self Defence Agency (Boei Kenkyusho Senshishitsu), p. 104.

⁴ In the 17 June 1939 War Ministry-General Staff document entitled "Tenshin Sokai Mondai Ni Kan Suru Ken" (Concerning the Tientsin Concessions' Problem), specific reference is made in an attached section dealing with conditions for the removal of the blockade and inspection around the Concessions (keikai oyobi kenshi kaijo no tame nintei no junkyo) to "economic measures within the British Concession necessary for the most basic level of military self-preservation" (gun seizonjo hissui saishogen no Ei sokai nai keizai sochi). Gendaishi Shiryo 13, Nitchu Senso 5 (hereafter cited as Gendaishi Shiryo 13-5), Misuzu Shobo, Tokyo, 1978, pp. 217-218.

⁵ Comment reportedly made on 14 June 1939. See Harada Kumao, Saionji Ko To Seikyoku, 9 vols., Iwanami Shoten, Tokyo, 1950-1951 and 1956, Vol. 7, p. 387.

⁶ Hata, p. 95.

⁷ Harada, Vol. 7, p. 388.

⁸ Harada, Vol. 7, p. 392

⁹ Harada, Vol. 7, p. 393.

¹⁰ Gendaishi Shiryo 13-5, pp. 217-8.

¹¹ Quotes from entry for 22 June 1939 in Hata, pp. 99-101. See also Foreign Minister Arita - Consul-General Tashiro (Tientsin), 23 June 1939. "Craigie wa Tenshin mondai o genchi nite kosho suru koto wa iwayuru Ei-Shi no kosho to nari furieki naru o motte Nichi-Ei no kosho toshi Tokyo nite Craigieshi ni ataritaki kibo o idaki aru." JMFA S.1.1.1...0-54, Vol. 3, p. 182 (Reel S520, p. 1230).

¹² Craigie often talked about ^{to} need to "promote general improvements in Anglo-Japanese relations through gradual elimination of points of difficulty and divergence." See, for example, Craigie-Halifax, 12 July 1939, Public Records Office (hereafter cited as FO), Kew, London, F7222/6457/10, F7220/1/10. See also Craigie-Arita, 20 August 1939, JMFA S.1.1.1...0-55, Vol. 2, pp. 2-14.

¹³ Quotations from minutes of Cabinet Foreign policy committee meeting on 19 June 1939 and telegram from Foreign Minister Halifax to Ambassador Craigie on the same day. FO F6110/G; F6017/1/10.

¹⁴ Craigie-Halifax, 19 June 1939. FO F6030/1/10, or Woodward (ed), Documents on British Foreign Policy Series Three, Volume 9 (hereafter cited as DBFP 3-9), p. 199-200.

¹⁵ Hata, p. 100.

¹⁶ See letter from the Chinese Ambassador in London to Foreign Secretary Halifax, 24 July 1939. DBFP 3-9, p. 374-5.

¹⁷ Craigie informed Halifax in his telegram of 19 June that Arita was "interested in this (i.e. Craigie's) definition of the problem"; on 20 June Harada Kumao said that "Arita seemed interested" in the idea of talks convening in Tokyo ('Tenshin jiken no ho wa, gaimudaijin no kangae toshite wa Tokyo de kosho o kaishi tsumorirashi'). Harada, Vol. 7, p. 394.

¹⁸ Hata, p. 100-101.

¹⁹ Hata, p. 100.

²⁰ See memorandum by East Asia Bureau entitled "Sokai Mondai Shori Hoshin Ni Kansuru Ken" (Proposal for Dealing with the Concessions Problem), 26 June 1939, in JMFA S.1.1.1...0-54, Vol. 3, pp. 275-80 (Reel S520, pp. 1323-1331). for 6 June telegram, entitled "Tenshin Sokai Mondai ni Kansuru Ken" (Proposal for Dealing with the Tientsin Concessions Problem), JMFA S.1.1.1...0-54, pp. 421-5, or Uchiyama Masataka's article on the blockade of the Tientsin Concessions in Gendai Nihon Gaikoshi Ron, Keio Daigaku Hogaku Kenkyukai, Vol 33, p. 225.

²¹ See, For instance, 28 June edition of newspaper Nichi Nichi. JMFA S.1.1.1...0-54, Vol. 4, p. 397.

²² See entry for 22 June 1939 in Hata, p. 100.

²³ Translation of "Tenshin mondai o kikkaku toshite Chu-Shi, Nan-Shi no Eikoku no keneki o mo kono sae kaiketsu sen to suru ga gotoki jiki ni arazu." Hata, p. 101.

²⁴ Asakai's comment from which translated excerpts came was: "kakubetsu Tenshin nomi ni taisuru kyokuchiteki atsuruyoku o motte Eikoku o shite soru tai-Shi sesaku no zenmenteki konponteki henkaku narashimuru koto wa fukano ni chikaru beki ten." Memorandum of Asakai Koichiro, 29 June 1939. JMFA S.1.1.1...0-55, Vol. 1, p. 20-28 (Reel S525, p. 25)

²⁵ Excerpt from memorandum submitted to the Foreign Office on 2 August 1939 by Sansom whilst on home leave. FO F8502.

²⁶ The General Staff orders not to invade the Concessions can be seen at the beginning of 29 May memorandum by North China Army General Staff entitled "Tenshin Ei-Futsu Sokai ni Tai Suru Kosaku Yoryo An," Gendaishi Shiryo 13-5, pp. 216-217. For North China Army's decision to comply with General Staff's order, see despatch from Commander in Chief Sugiyama-Tokyo, 23 June 1939, JMFA S.1.1.1...0-54, Vol. 3, p. 136. See also Sugiyama press briefing, 20 June 1939, FO, F6103/1/10.

²⁷ Excerpts from Navy memorandum entitled, "Tenshin Mondai ni Kanshi Kaigun Toshite Torubeki Tomen no Taisaku no Ken" (Measures that the Navy Believes Ought to be Taken With Reference to the Tientsin Problem), 18 July 1939. Gendaishi Shiryo 13-5, p. 221.

²⁸ Translation of "kyokuchiteki mondai toshite kaiketsu chotei kibo shi ori," in Mitsui-Foreign Ministry, 17 June 1939. See also similar Mitsubishi memorandum of same date. JMFA S.1.1.1...0-54, Vol. 2, p. 211-220 (Reel S519, p. 642-646).

²⁹ For discussion of this, see Fujiwara Akira, Taiheiyo Sensoshi Ron, Aoki Shoten, Tokyo, 1982, pp. 44-8.

³⁰ For further discussion of these developments, see Alvin D. Coox, Nomonhan. Japan Against Russia 1939, 2 volumes, Stanford, 1985; Hata Ikuhiko, "The Japanese-Soviet Confrontation, 1935-1939," in James Morley (ed), Deterrent Diplomacy, Columbia University Press, New York 1976.

³¹ According to the Japanese Army General Staff, the Russians had three heavily armoured mechanized divisions in place by June 1939, giving them the superior edge, in Tokyo's estimation, in firepower and artillery. Harada, Vol. 8, p. 4.

³² For details and estimates of losses (4,000 Japanese casualties on July 3 alone, according to Russian sources), see Hata Ikuhiko in Morley (ed), date, pp. 163-7; G.N. Sevost'janov, in Vorprosi Istorii, No. 8 (1957), p. 68; Larry Moses, "Soviet-Japanese Confrontation in Outer Mongolia: The Battle of Nomonhan-Khalkin Gol," in Journal of Asian Studies, 1967, Vol. 1.

³³ For documents mentioned in this paragraph, Gendaishi Shiryo 13-5, pp. 216-18. For request from Kwantung Army to North China Army for despatch of a division of troops, see Uchiyama Masataka's article on the Tientsin

Incident in Gendai Nihon Gaikoshi Ron, Keio Daigaku Hogaku Kenkyukai, Vol. 33.

³⁴ Translation of "Kono sai chu-nan Shi ni okeru Ei keneki kaiketsuho no ishi naki koto wa nanika no hoho nite senden suru koto ga hitsuyo narasu... Kono mune josei shitaru ni gomanzoku ni osarare... ." Hata, p. 101.

³⁵ "Tenshin joken wa Tokyo de kosho o hiraku koto ni shita.... Igirisu seifu no kibo dori, Craigie to atte, Tokyo de kosho o hiraku koto ni Nihon seifu mo shonin shita." Harada, Vol. 8, p. 4. See also Kido Koichi Nikki (Diary of Marquis Kido Koichi) (hereafter cited as KKN), Kido Nikki Kenkyukai (ed), Tokyo Daigaku Shuppankai, 1966, p. 728. For Arita's remarks about not fixing basis of negotiations beforehand, see Craigie-Halifax, 24 June 1939, FO F6337/1/10.

³⁶ Harada, Vol. 8, p. 3.

³⁷ Translation of Arita's comment, "Tenshin mondai o ochitsuku sasete kara Bo-Kyo mondai ni utsuritai." Apart from being his own personal opinion, Arita said that this was what the Cabinet decided in its meeting of 23 June. Harada, Vol. 8, p. 4.

³⁸ "Gun shireibu toshite tokubetsu hantai ni wa arazaru mo... kenmon kensaku haichi no gutaiteki jiko wa mushiro genchi ni oite kyotei suru o kanari to suru ko o yushi oreri." Description of North China Army General Staff's views by Counsellor Horinouchi (Peking)-Foreign Minister Arita, 27 June 1939. JMFA S.1.1.1...0-54, Vol. 3, pp. 308-310.

³⁹ See Horinouchi-Arita, 27 June and 5 July 1939. JMFA S.1.1.1...0-54, Vol. 3, pp. 308-310; JMFA S.1.1.1...0-55, Vol. 1, pp. 90-105 (Reels S520, pp. 1359-1361 and S525, pp. 90-105).

⁴⁰ Arita's remarks in this and the previous paragraph were included in Craigie-Halifax, 24 June 1939. FO F6337/1/10.

⁴¹ FO F6337/1/10.

⁴² Hata, p. 100..

⁴³ Craigie-Halifax, 24 June 1939. FO F6339/1/10.

⁴⁴ for description of Chamberlain's position, see Yomiuri Shimbun report, 29 June 1939 and Ambassador Shigemitsu (London)-Foreign Minister Arita, 24 June 1939. JMFA S.1.1.1...0-54, Vol. 4, p. 410, and Vol. 3, p. 191 (Reel S520, p. 1249).

⁴⁵ See 28 June editions of Kokumin Shimbun and Tokyo Nichi Nichi, JMFA S.1.1.1...0-54, Vol. 4, pp. 396-8. See also KKN, p. 728.

⁴⁶ "Eikoku seifu no moshiide ni motozuki, Tenshin ni okeru... kakushu no mondai no kaiketsu o hakaru tame... Tokyo ni oite kosho o okonau koto to seri." JMFA S.1.1.1...0-54, Vol. 4, pp. 396-8 (Reel S520, p. 1339; see also Reel S525, p. 4).

⁴⁷ Foreign Ministry memorandum, 28 June 1939. JMFA S.1.1.1...0-55, Vol. 1, p. 6.

⁴⁸ See Chapter 4.

⁴⁹ Craigie-Arita, 14 January 1939. FO F2042/87/10.

⁵⁰ Tokyo Nichi Nichi, 30 June 1939. JMFA S.1.1.1...0-54, Vol. 4, p. 413.

⁵¹ Kido Koichi Kankei Bunsho (hereafter cited as KKKB), Kido Nikki Kenkyukai (ed), Tokyo Daigaku Shuppankai, Tokyo, 1966, p. 430.

⁵² See Tokyo Nichi Nichi, 28 June 1939. JMFA S.1.1.1...0-54, Vol. 4, p. 397.

⁵³ Arita specifically warned Craigie in a meeting on 26 June not to insist on an alleviation of anti-British treatment before discussions began. See Arita-Shigemitsu, 26 June 1939. JMFA S.1.1.1...0-54, Vol. 3, p. 269 (Reel S520, p. 1320).

⁵⁴ The mainline Japanese press were generally united in the belief that the most important objective of the Tokyo Conference was, in the words of a 4 July edition of the Asahi, to transform British policy in Asia and in particular to end British "aid" to Chiang Kai-shek. See also 9 July edition of Kokumin. JMFA S.1.1.1...0-54, Vol. 4, pp. 416, 463-4.

⁵⁵ Minutes written by Far Eastern Department official Denning on 11 and 18 July 1939 in response to Craigie memoranda concerning anti-British agitation in Japan. FO F7162-3, F7739.

⁵⁶ See in particular assessment by Chief of Home Ministry's Police Bureau (Naimusho Keibo Kyokuchō) entitled, "Hai-Ei Undo Torishimari ni Kansuru Ken" (Managing the Anti-British Movement). See also Home Ministry memorandum, "Saikin ni Okeru Hai-Ei Undo no Jokyo" (Recent Developments in the Anti-British Movement). KKKB p. 430.

⁵⁷ Craigie-Halifax, 11 July 1939. FO F7162/1/10, F7163/1/10. /L

⁵⁸ See, for example, Arita's assessment in late-June 1939 of ultranationalist movement in Japan that is quoted in the following chapter. Harada, Vol. 8, p. 5.

Chapter Six: The Anti-British Movement in Japan

¹ Criticizing the peace plans after the First World War, Konoe Fumimaro said, "British-American pacifism has nothing to do with justice or humanity but is a do-nothing-to-rock-the-boat formula to make it easy to maintain the status-quo." See Konoe article, "Ei-Bei Honi no Heiwashugi o Haisu" in Nihon oyobi Nihonjin, 15 December 1918. Quoted in Oka Yoshitake, Konoe Fumimaro, Iwanami Shoten, 1972, pp. 10-13.

² See particularly activities of Foreign Minister Ugaki Kazushige and War Minister Itagaki Seishiro in the Konoe Cabinet of 1938. For discussion of this, see Usui Katsumi, "A Consideration of Anglo-Japanese Relations, 1937-1941," in Nish (ed), Anglo-Japanese Alienation, 1919-1952, Cambridge University Press, 1982.

³ For more extensive discussion of these groups, see in particular Richard Storry, The Double Patriots, London, 1957; Ben A. Shillony, Revolt in Japan: The Young Officers and the February 26, 1936, Incident, Princeton, 1973; and James B. Crowley, Japan's Quest for Autonomy, Princeton, 1966.

⁴ See Home Ministry document, "Saikin Ni Okeru Hai-Ei Undo No Jokyo" (Recent Developments in the Anti-British Movement), published in Kido

Koichi Kankei Bunsho (Archives Concerning Kido Koichi) (hereafter cited as KKKB), Tokyo Daigaku Shuppankai, Tokyo, 1966, p. 430.

⁵ "Tenshin sokai mondai o keiki toshi Ei-Bei-Futsu no bodosaku genchitaru sokai mondai no bappon saigenteki kaiketsu o nasubeki, kosoku naru dakkyo wa danpei hantai nari." From "Saikin Ni Okeru Hai-Ei Undo No Jokyo," KKKB, p. 430.

⁶ Remark of Foreign Minister Arita Hachiro to Prime Minister Hiranuma Kiichiro, 29 June 1939. Quoted in diary of Prince Saionji's secretary, Harada Kumao, Saionji Ko to Seikyoku, Iwanami Shoten, 1951-2, 1956, 9 Vols., Vol. 8, p. 8.

⁷ These laws forbade organizations or movements wishing to change the "kokutai" (national polity) -- the principles underlying the organization of the Japanese state -- or oppose the system of private property. Offenders could be given up to 10 years hard labour, and after 1928 the death penalty, for such infractions. The vague, catch-all phraseology of the measures resulted in tens of thousands of arrests being made, resulting in the internment of middle-of-the-road liberals with no subversive intent. Robert H. Mitchell, Thought Control in Prewar Japan, Ithaca, 1976; Y. Okudaira, "Some Preparatory Notes for the Study of the Peace Preservation Law in Prewar Japan," Annals of the Institute of Social Science, Tokyo, Vol. 14, 1973; Janet E. Hunter, Concise Dictionary of Modern Japanese History, University of California Press, 1984.

⁸ See in particular the 17 July 1937 regulation entitled "Hoku-Shi Jihen Ni Tomonau Aikoku Dantai Nado no Shitsugai Shukai Torishimari Hoshin" and the 30 July 1938 ordinance, "Kanko (Hankow) Zengo Ho Chian Iji Ni Kansuru Ken," in Yui Seishin(?) (ed), Shiryo Nihon Gendaishi, Vol. 6 (hereafter cited as SNG-6). Otsuki Shobo, 1981, pp. 10-11, 45.

⁹ SNG-6, 1981, p. 60.

¹⁰ The regulations were entitled, "Eikoku No Ensho Kodo Ni Kansuru Kiji Torishimari Ni Kansuru Ken." For full text, see Gendaishi Shiryo, Vol. 41 (Mass Media Tosei) (hereafter cited as Gendaishi Shiryo-41), Misuzu Shobo, 1962-1981, p. 240.

¹¹ Excerpts from articles in Kokumin (Japan Advertiser), 6, 9, 11 July 1939. Japanese Ministry of Foreign Affairs (hereafter JMFA) S.1.1.1...0-54, Vol. 4, pp. 463, 464, 483. For government publication, JMFA S.1.1.1...0-54, Vol. 4, p. 470.

¹² For full text, SNG-6, 1981, p. 25.

¹³ For full text, SNG-6, 1981, p. 61.

¹⁴ According to Harada Kumao, "the Emperor asked Prime Minister Hiranuma: 'Is it really true you can't control the anti-British movement?', to which the Prime Minister replied that it was 'very difficult' (Nao Tenko kara... Hiranuma Sori ni taishite 'hai-Ei undo wa nantoka torishimaru koto wa dekinka?' to iu gokamon ga atta ga, Sori wa kore ni taishite 'torishimarinikui', to kotoshita). Harada, Vol. 8, p. 15.

¹⁵ On 8 July, Harada Kumao was told by Home Minister Kido Koichi that "the Army is funding (the anti-British movement) and thereby creating an impossible situation" (jibun wa nainudaijin ni mo atte, ironna kokunai

undoni tsuite hanashi oshita tokoro, 'duomo rikugun kara kan o dashite urun de yarikeiren' to itte otta). Harada, Vol. 8, p. 15.

¹⁶ For discussion of this and much other information concerning the anti-British movement, see Nagai Kazu~~chi~~^{chi}'s study, "1939 No Hai-Ei Undo" in Kindai Nihon Kenkyu, Vol. 5, entitled Showaki No Shakai Undo (Popular Movements in the Showa Era) (hereafter, Nagai). Yamakawa Shuppansha, 1983, pp. 191-258.

¹⁷ Kido's exact words were "Hai-Ei undo wa heta ni yaru to kakumeiteki ni naru osore ga tabun ni fukumarete uru." See Nagai, 1983, p. 243. For views of his colleague, see p. 242.

¹⁸ Figures from Naimusho Keibokyoku Hoanka's Tokko Nenpyo, quoted in Nagai, 1983, p. 227. See also Nagai, pp. 208, 231.

¹⁹ Issued on 14 July 1939. See Nagai, 1983, p. 235.

²⁰ Demands issued by Han-Ei Osaka-fu Shimin Taikai, 17 July, as well as groups from Shiga and Niigata Prefectures. See Nagai, 1983, p. 235; KKKB, pp. 454, 449.

²¹ KKKB, p. 456.

²² Statement made on 13 June 1939. See JFMA, S.1.1.1...0-54, Vol. 4, pp. 489-92.

²³ Translation of the Japanese: "Tokyo kaidan ni kanshi kosho o wagaho ni furi ni michibiku osore aru kiji -- tatoeba Nihongawa ni kosho dakyo no kio ari to nashi matawa Eikoku to no dakyo o shucho suru ga gotoki mono -- kore o keisai sezaruru koto." See Gendaishi Shiryo-41, p. 240.

²⁴ See KKKB, p. 452.

²⁵ Statement of ultranationalist party, Kakushinto. See KKKB, p. 446.

²⁶ See KKKB, pp. 452, 445.

²⁷ See KKKB, pp. 440-41.

²⁸ See KKKB, pp. 440, 457.

²⁹ The proposed Tokyo Conference with Britain, for instance, was criticized as "a British plot to manipulate Anglophile groups within the government" and "an indication that the government has already given in to the British. KKKB, p. 445.

³⁰ Usui Katsumi, "A consideration of Anglo-Japanese Relations 1937-1941," in Ian Nish (ed), 1982.

³¹ See Usui in Nish (ed) 1982; Nagai, 1983, p. 247.

³² Nagai, 1983, p. 247; Robert Craigie, Behind the ^{Japanese} Iron Mask, London, 1946, pp. 457-9

³³ For full description of conspiracy, see KKKB, pp. 457-62.

³⁴ Nagai, 1983, p. 230.

³⁵ The movement to "clarify the national polity" (kokutai meicho) came into being from 1935, with the banning of books written by Minobe Tatsukichi, a retired Tokyo University law professor, who argued that the Emperor was not absolute but a subordinate organ of the state. "National renovation" (kokka no kakushin), together with such phrases as "a Showa Restoration" (Showa Isshin), had been the euphemistically phrased objectives of various right-wing, ultranationalist conspiracies from 1931 onwards. See KKKB p. 460. For more general discussion of "kokutai meicho," See Herbert Bix, "Emperor-System Fascism: A Study of the Shift process in Japanese Politics," in Shakai Rodo Kenkyu, Vol. 27, No. 2, 1981, especially pp. 117-123.

³⁶ Translation of, "keshite seifu ga hai-Ei undo o shido shite urun dya nai." Entry for 17 July 1939 in Harada, Vol. 8, p. 22.

³⁷ On 8 July, Harada Kumao was told by the Home Minister that "the Army is funding (the movement) and creating an unbearable situation" (domo rikugun kara kan o dashite urun de yarikiren). Quote in the text is a translation of "kempei ga sakini tatte yarun... ." Harada, Vol. 8, p. 15, 22.

³⁸ Admission made on 15 or 16 July in Harada, Vol. 8, p. 21.

³⁹ Unpublished diary of Imperial Aide-de-Camp and later War Minister, General Hata Shunroku (Hereafter cited as Hata), Boecho, Boei Kenkyusho Senshishitsu (Archives of the Japanese Self-Defence Agency), p. 111.

⁴⁰ Translation of "totemo ha ga tatenai." Harada, Vol. 8, p. 17.

⁴¹ Emperor Hirohito is reported to have said to War Minister Itagaki that "I've never come across such a blockhead as you (omae gurai atama no warui sha wa nai) and to Itagaki's emissary, General Terauchi, that the War Minister had "lied to him" "with insolence and impunity" (makotoni keshikaran hanashi dyanai ka) and was "a good-for-nothing fool" (domo atama ga warui dyanai ka). Harada, Vol. 8, pp. 13-14.

⁴² As could be seen from their reported positions in the Five Ministers' Conference of 18 July 1939. Harada, Vol. 8, p. 24.

⁴³ Translation of phrase, "Rikugun no moshirenda gunji domei ni go suru to sureba, naikaku wa kekkyoku taoreru yori hoka ni nai." Harada, Vol. 8, p. 24.

⁴⁴ According to an intercepted document dated 7 July, Halifax said: "because the issue of the silver deposits in the Chinese banks in the British Concession is not a local problem, Britain would not be able to enter into bilateral talks with Japan if it is raised. I expect the discussions to be limited solely to the issue of how to deal with anti-Japanese groups." (Tenshin no genkin hikiwatashi mondai wa chihoteki mondai ni arazaru o motte Nichi-Ei nomi nite kaiketsu shiruru sha ni arazu. Han-Nichi torishimari ni kanshite wa sogo no johu o nasu koto arubeki). Document no. 3924, Gunreibu, 11 Ka. Japanese military intelligence documents in Toyo Bunko (Tokyo University archive), pp. 1399-1404.

⁴⁵ In an entry for 24 June 1939, Harada Kumao mentioned that sources within the Imperial Palace said that Craigie "intended to push forward talks on economic issues after the criminal suspects had been handed over" and that "the details would be worked out when the delegations from Tientsin had arrived in Tokyo" and that "he did not seem at all

uncompromising on this question" (Craigie ni... keizai mondai ni tsuite wa saimoku no kyotei no mono mo ari, Tenshin kara hito ga kitte kyoryoku o yosuru koto ni narurashi ga, hannin hikiwatashi ato ni hanashi o tsusumeru tsumori to iu koto kara mite, sahodo kyoko de nai rashi yosu da). Harada, Vol. 8, p. 3.

⁴⁶ Craigie-Halifax, 24 June 1939. Woodward (ed) Documents on British Foreign Policy, Series 3, Vol. 9 (hereafter cited as DBFP 3-9), page no. Or Public Records Office (hereafter cited as FO), Kew Gardens, London, F6340/1/10. In a letter dated 7 July, Craigie also said "I am by no means satisfied that a compromise cannot be found" concerning "Chinese currency." FO F6945/6457/10.

⁴⁷ Halifax-Craigie, 25 June 1939. DBFP 3-9, p. 225-6. FO, F6340/1/10.

⁴⁸ Waley (Treasury)-Howe (Foreign Office), 28 June 1939. FO F6470/6457/10.

⁴⁹ Minute by Sir Alexander Cadogan concerning above-mentioned Treasury communication of 28 June. FO F6470/6457/10.

⁵⁰ Halifax-Craigie, 4 July 1939. DBFP 3-9, p 243-44; FO F6470/6457/10.

⁵¹ See previous chapter.

⁵² Tashiro-Arita, 3 July 1939. Horinouchi-Arita, 7 and 12 July 1939. JMFA S.1.1.1...0-54, Vol. 4, pp. 81-93, 166-168 221-2.

⁵³ Domei wire service report of General Sugiyama's press conference at Tientsin, 6 July 1939. Quoted in Consul-General Herbert Jamieson's situation report for 8 July. FO, F7051/1/10. For more detailed description of press conference, see JMFA S.1.1.1...0-54, Vol. 4, pp. 456-462.

⁵⁴ Truncated translation of Home Minister's remark: "Nara gatsu itchi nichu kara kenmon o hijoni kyoko ni suru to iu koto da ga, yosuru ni chuo no tosei ga torete inai tame ni, desaki ga katte na koto o shite komaru." Harada, Vol. 8, p. 9.

⁵⁵ Harada, Vol. 8, p. 16.

⁵⁶ For War Ministry statement of 3 July, see FO, F 371/23525/6805. See also JMFA S.1.1.1...0-55, Vol. 1, pp. 56-61 for similar statement from the Army General Staff.

⁵⁷ For text of 17 June statement, see Gendaishi Shiryo 13 (Nitchu Senso 5) (hereafter cited as Gendaishi Shiryo 13-5), Tokyo (Misuzu Shobo) 1978, p. 217-8.

⁵⁸ Hata, p. 111.

⁵⁹ Hata, p. 111.

⁶⁰ Counsellor Horinouchi (Peking)- Foreign Minister Arita, 4 and 5 July 1939. JMFA S.1.1.1...0-55, Vol. 1, pp. 90-105. See also entry for 7 July 1939 in Hata, pp. 114-115.

⁶¹ War Ministry policy statement, 9 July 1939. JMFA S.1.1.1...0-55, Vol. 1, pp. 144-151.

⁶² For full text of memorandum, see JMFA S.1.1.1...0-55, Vol. 1, pp. 160-81.

⁶³ For exact page numbers of quotes, see JMFA S.1.1.1...0-55, Vol. 1, pp. 162-3, 169, 166.

⁶⁴ See entries for 7 and 10 July 1939 in Hata, pp. 114-5, 120-122.

⁶⁵ For discussion of this, see in particular Japanese Foreign Ministry publication, Showa 14 Nen no Kokusai Josei (International Conditions in the 14th Year of the Showa Emperor (1939)), Tokyo, 1941, p. 122 and an outline of the course of the entire Tientsin Incident by the East Asia Division in JMFA S.1.1.1...0-54, Vol. 3, pp. 395-517, particularly p. 410.

⁶⁶ See in particular entry for 10 July 1939 in Hata, pp. 120-122.

⁶⁷ Ambassador Craigie's summary of the conversation in Craigie-Halifax, 12 July 1939, F7220/1/10, in DBFP 3-9, p. 261-2.

⁶⁸ Entry for 12 and 14 July 1939 in Hata, pp. 123-5.

⁶⁹ Charge d'Affaires Eugene Dooman-Secretary of State Cordell Hull, 5 July 1939. Foreign Relations of the United States (hereafter cited as FRUS), 1939, Vol. 4, p. 219.

Chapter Seven: The Tokyo Conference (1): The Arita-Craigie Accord (15-24 July).

¹ Question time in the House of Commons, 12 July 1939. Public Records Office (hereafter cited as FO), F7198.

² Translation for, "Kenmon kensaku wa genchigun ga genchi no joseijo no hitsuyo ni motozuki mizukara no nintai no shita ni okonai oru mono." Arita-Craigie, 13 July 1939. Japanese Foreign Ministry Archives (hereafter cited as JMFA) S.1.1.1...0-55, Vol. 2, pp. 191-2

³ North China Army Commander-in-Chief Sugiyama Gen, press conference, 7 July 1939. FO, F7051

⁴ Kurusu-Arita, 18 July 1939. JMFA S.1.1.1...0-55, Vol. 1, p. 329.

⁵ See enclosure in Craigie-Halifax, 17 January 1939 (F 2042/87/10) in Woodward (ed.), Documents on British Foreign Policy (hereafter cited as DBFP) Series 3, Volume 8, Her Majesty's Stationery Office, 1955, pp. 403-5.

⁶ See 5 July remark of Governor of the Bank of Japan, "Tenshin mondai ni kanshi Eikoku wa menmoku sae tateba, zenmenteki ni waga ire o ireruru no keiko ari." Unpublished diary of Imperial Aide-de-Camp, General Hata Shunroku, Boeicho, Boei Kenkyusho Senshishitsu, entry for 5 July 1939.

⁷ See particularly Dooman-Hull, 26 June 1939. "I told the Prime Minister's personal adviser repeatedly in the plainest possible language that the Japanese... would if they opened up the currency and other kindred issues bring about a situation of the utmost gravity from which it would be impossible for the United States to remain aloof." FRUS, 1939, Vol. 4, p. 202.

⁸ See in particular memoranda by Clarke and Scott, 19 and 21 July 1939. FO, F7445, F7669.

⁹ See figures in Hata; see also Mitsui and Mitsubishi memoranda to Foreign Ministry, 17 and 15 June 1939. Both documents warned of British economic counter-measures if blockade lasts, and of U.S. opposition to Japan if negotiations were to be broken off over economic rather than administrative issues. JMFA S.1.1.1...0-54, pp. 211-19.

¹⁰ According to the Moffat Diary, entry for 23 November 1937, "Dr. Koo candidly told the newspaper correspondents at Brussels that the Chinese delegates felt that the British had acted as their friends throughout the conference while the United States had let them down." See Dorothy Borg, The United States and the Far Eastern Crisis 1933-1938, Harvard University Press, Cambridge, Mass. 1964.

¹¹ Secretary of State Cordell Hull-Charge d'Affaires Eugene Dooman (Tokyo), 1 July 1939. FRUS 1939, Vol. 4, pp. 213-14.

¹² Shigemitsu Mamoru (London)-Arita, 26 July 1939. JMFA S.1.1.1...0-55, Vol. 2, p. 177.

¹³ See particularly Dooman-Hull, 3 July 1939, in FRUS 1939, Vol. 4, pp. 215-16.

¹⁴ JMFA S.1.1.1...0-55, Vol. 1, p. 151.

¹⁵ JMFA S.1.1.1...0-55. Vol. 1, pp. 160-187; Hata, pp. 123-5; Inouye Yuichi, "Arita no 'Koeki Keizai Ken' Kozo to Tai Ei Kosho," in Nippon Kokusai Seiji Gakkai, Kokusai Seiji, Dai 56 Kan, pp. 72-3, 75-6.

¹⁶ JMFA S.1.1.1...0-55, Vol. 1, p. 235.

¹⁷ Japan Foreign Ministry, Showa 14 Nen no Kokusai Josei (hereafter cited as Showa 14 Nen), Nippon Kokusai Kyokai, 1941, pp. 121-22.

¹⁸ See 18 July 1939 Navy Ministry memorandum, "Tenshin Mondai ni Kanshi Kaigun Toshite Torubeki Tomen no Taisaku" (Measures the Navy Should Adopt in Connection with Problems Arising Out of Tientsin), Gendaishi Shiryo 13, Nitchu Senso 5 (hereafter cited as Gendaishi Shiryo 13-5), Misuzu Shobo, 1978, p. 221.

¹⁹ Combined troop strength of Britain, France and America within the Concessions and Special Areas in Tientsin was over 2,000. Only one battalion -- less than 1,000 men -- of Lieutenant-General Homma's 27th Division could be spared for garrison work at Tientsin. See Gendaishi Shiryo 13-5, pp. 206-7; Uchiyama Masataka, "Tenshin Eikoku Sokai Fusa no Haikei," in Gendai Nihon Gaikoshi Ron, Vol. 33, Keio Daigaku Hogaku Kenkyukai, pp. 243-4.

²⁰ Boei Kenkyusho Senshishitsu, Hokushi no Chiansen 1, p. 140; Gendaishi Shiryo 13-5, p. 221; Uchiyama, p. 249.

²¹ Hata, pp. 120-1.

²² Craigie-Halifax, 15 July 1939, Documents on British Foreign Policy (DBFP), Series Three, Vol. Nine, pp. 278-9; JMFA S.1.1.1.0-55, Vol. One, p. 263.

²³ Craigie-Halifax, 15 July 1939. DBFP 3-9, p. 282.

24. Craigie-Halifax, 15 July 1939. DBFP 3-9, p 282.
25. JMFA S.1.1.1.0-55, Vol One, p. 286. See also F7347/6457/10, Craigie-Halifax, 15 July 1939 and Harada Kumao, Saionji Ko to Seikyoku (hereafter cited as Harada), pp. 18-19.
26. Koain (^{Development Bureau} East Asia Bureau) statement, 17 July 1939. JMFA S.1.1.1.0-55, Vol. One, p. 303.
27. According to the Three Ministers' Meeting of 11 July, conclusions of which were ratified by full Cabinet on the 13th, the three principles upon which the Tientsin negotiations should take place were 1) the 'end of hostile British attitudes towards Japan in North China'; 2) 'reform of British attitude of giving assistance to Chiang Kai-shek'; and 3) 'co-operation with the New Order in North China' (Hokushi ni okeru tainichi tekisei o haijo shi, Enjoteki taido hoshin o kaisei seshimete, hokushi ni okeru shinjitai no ninshiki o kakuritsu seshime). Showa 14 Nen, p. 122.
28. Public statement of War Ministry's Information Bureau, 3 July 1939 (Received in London 4 July), FO F6805. See also JMFA S.1.1.1...0-55, Vol. 1, pp. 144-51.
29. Order of North China Army, 13 June 1939. JMFA S.1.1.1...0-55, Vol. 2, p. 62.
30. Quoted from report of U.S. Naval Attache (Peiping), 28 December 1938. U.S. National Archives (USNA), Record Group 59, Office of War Information 793.94, OWI/728.
31. These arguments were advanced by the Ambassador in explaining Chinese reservations to Arita-Craigie agreement, signed on the 24th. Chinese Ambassador-Halifax, 31 July 1939, FO F8432/6457/10.
32. Figures from Nagai Kazushi, "1939 Nen no Haiei Undo," in Nenpyo, Kindai Nihon Kenkyu - 5, p. 230, Yamakawa Shuppansha, 1983. Figures obtained from analysis of contemporary sources including Tokko Nenpyo, Osaka Asahi Shimbun, Tokyo Asahi Shimbun and Tokyo Nichi Nichi Shimbun.
33. According to estimates of Osaka Asahi Shimbun, Tokyo Asahi Shimbun and Tokko Nenpyo. Quoted in Nagai, p. 227.
34. See, for instance, Home Ministry (Naimusho) situation report on anti-British activities dated 7 July 1939. This emphasized growing criticism of the decision to have talks in Tokyo as a cave in to the British (genchi kaiketsu o nasubeki Tokyo ni itsushitaru wa sude ni eikoku ni taisuru johō nari) and "none other than a British plot that pro-British Japanese officials are endeavouring to carry out on Britain's behalf" (Tokyo kaidan wa eikoku ga wagakuni shineiha o riyo sen to suru eikoku no imbo ni hoka naranai). See also Kido p. 449, resolution of 7th July popular meeting in Niigata, which stated 'unless the British are expelled from East Asia, Japan will not be able to establish the New Order' (Toa yori eikoku o kuchiku suru ni hizareba shin toa no kensetsu wa danjite nai). See Kido Koichi Kankei Bunsho (hereafter cited as KKKB), Kido Nikki Kenkyukai (ed), Tokyo Daigaku Shuppankai, 1966, p. 445.
35. Craigie-Halifax, 15 July 1939. DBFP, pp. 278-80.
36. Harada, Vol. 8, p. 18.

37. See Home Ministry's "Iwayuru Shineiha Daikan Ansatsu Fuon Jiken ni Kansuru Ken" (Report on the Destabilizing Assassination Attempt of Prominent 'Pro-British' Officials). In the suspects' depositions, reference was made to the notorious terrorist group Ketsumeidan, two previous well-known coup attempts, and the suspects' belief that the emperor's ear had been deafened from the patriotism of 'eighty million hearts beating as one' by the corrupt alliance of bureaucrats, zaibatsu chiefs, political parties and pro-British officials. It was for this reason, according to the suspects, that the Holy War in China was not being effectively carried out and why, presumably, they felt obliged to engage in this act of defiance. KKKB, pp. 460-62.
38. Craigie-Arita, 20 July 1939. JMFA S.1.1.1..0-55, Vol. 2, p. 2.
39. Harada, Vol. 8, p. 19
40. According to Vice Minister Sawada, Arita said that 'Craigie did not raise as many difficult points as I thought he would and seemed generally very conciliatory' (Craigie toshite wa motto tsuyoi nandai de mo iidasareru to omotta no ga, wariiai ni muzukashikunai to iu kanji de, hottoshita yo na kao o shite utta). Entry for 15 July 1939, Harada, Vol. 8, p. 17.
41. "Iyoiyo meijitsu kara Craigie to hanasu tsumori da ga, nakanaka muzukashii..." Arita-Harada, 14 July 1939. Entry for 15 July 1939, Harada, Vol. 8, p. 18.
42. In his conversation with Harada on 15 July, Sawada mentioned that 'the anti-British movement in Japan was a big problem for us' (Nihon no hanei undo to iu no wa, duomo maa komatta mon da). Harada, Vol. 8, p. 19.
43. Sawada-Harada, 15 July 1939. Harada, Vol. 8, p. 20.
44. Far Eastern Department-Craigie, 13 July 1939. FO, F7280.
45. Craigie-Halifax, 13 July 1939. FO, F7269.
46. Halifax-Craigie, 17 July. DBFP 3-9, p. 290.
47. Denning 11 and 18 July minutes on Craigie cables about anti-British agitation in Japan. FO F7162-3, F7739.
48. 11 July Denning minute on Craigie memoranda about anti-British agitation in Japan FO F7162, 7163; Craigie-Foreign Office, 14 July, on anti-British agitation and 18 July Denning minute in response. FO F7739
49. "The Japanese read American diplomatic traffic with embarrassing regularity throughout the summer of 1939." For this and more general description of effectiveness of Japanese intelligence in deciphering foreign diplomatic cables, see Edward J. Drea, "Reading Each Other's Mail," in Journal of Military History, Virginia Military Institute 55 (1991), pp. 185-204.
50. Hull-Dooman, 19 June 1939. FRUS, 1939, Vol. 4, p. 185; Hull-Dooman, 1 July 1939. FRUS, 1939, Vol. 4, pp. 213-4.
51. Craigie-Foreign Office, 19 July 1939. DBFP 3-9, pp. 298-9.

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52. Craigie proposed that Japanese forces should have the right to "suppress or remove" "acts or causes" as would "obstruct them or benefit their enemy" only if such "acts or causes" were "detrimental to the maintenance of public order." This Arita rejected on the grounds that any such limitation would "lead to further difficulties and misunderstandings" between the two countries. Craigie-Foreign Office, 19 July 1939, DBFP 3-9, p. 298.
53. Craigie-Foreign Office, 19 July 1939. DBFP 3-9, p. 296
54. Craigie-Foreign Office, 19 July 1939. DBFP 3-9, p. 299.
55. Craigie-Foreign Office, 21 July 1939. DBFP 3-9, p. 305.
56. Craigie-Foreign Office, 20 July 1939. DBFP 3-9, p. 301.
57. Craigie-Foreign Office, 19 July 1939. DBFP 3-9, p. 298.
58. Craigie-Foreign Office, 19 July 1939, FO F7602/1/10; Craigie-Foreign Office, 20 July 1939, FO F7601/6457/10; Craigie-Foreign Office, 20 July 1939, F7606/44/10 (DBFP 3-9, pp 300-2); Dooman-State Department, 20 July 1939. FRUS, 1939, Vol. 4, p. 223.
59. Craigie-Halifax, 19 July 1939, DBFP 3-9, pp. 300-1; Craigie-Halifax, 19 July 1939. DBFP 3-9, p. 297.
60. Arita's remarks in Craigie telegram of 24 June 1939. DBFP 3-9, pp. 219-20.
61. Showa 14 Nen, p. 125.
62. Sansom memorandum to the Far Eastern Department, 2 August 1939 FO F8502. For tactful account of declining relations between Sansom and Craigie, see Hosoya Chihiro, "Saa Jyoji Sanusomu to Haizen Nippon," in Chuo Koron, September 1975.
63. JMFA S.1.1.1.0-55, Vol. 1, p. 189.
64. JMFA S.1.1.1.0-55, Vol. 1, p. 223.
65. For fuller account of what Japanese negotiators believed Craigie said to them in this regard, see Showa 14 Nen, p. 126.
66. Far Eastern Department-Clerk/Kerr, 21 July 1939. FO F7602.
67. Howe memorandum, 21 July: "Our policy towards China has in the past been governed by two main factors a) Nine Power Treaty b) League of Nations. The latter has become a broken reed and adherence to its tenets involves us in increasingly dangerous situations without any compensating advantages, even the problematical one of U.S. support." FO, F7402.
68. As transmitted by the British Ambassador to Washington, 17 July 1939. FO, F7382.
69. Denning minute, 17 July 1939. FO, F7392,
70. Halifax-Craigie, 20 July 1939. DBFP 3-9, p. 304

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71. Craigie-Halifax, 20 July 1939. DBFP 3-9, p. 301
 72. Halifax-Craigie, 20 July 1939. DBFP 3-9, p. 303.
 73. Halifax-Craigie, 20 July 1939. DBFP pp. 303-304.
 74. DBFP 3-9, p. 290.
 75. Halifax-Craigie, 20 July 1939. DBFP 3-9, pp. 303-304.
 76. Craigie-Halifax, 21 July 1939. DBFP 3-9, pp. 305-307
 77. Ibid.
 78. As reported by Craigie in Craigie-Halifax, 21 July 1939. DBFP 3-9, pp. 305-307.
 79. Craigie-Foreign Office, 21 July 1939. DBFP 3-9, p. 305.
 80. Craigie-Halifax, 21 July 1939. DBFP 3-9, pp. 305-307.
 81. KKKB, pp 440-41, 452.
 82. Hata, p. 111.
 83. Hata, p. 124.
 84. Harada, Vol. 8, pp. 14-15; Hata, pp. 113-114, 123-124.
 85. Harada, Vol. 8, p. 24.
 86. KKKB, p. 456.
 87. Quoted in Ohata Tokushiro, "The Anti-Comintern Pact, 1935-1939," in Deterrent Diplomacy, James W. Morley (ed), Columbia University Press, New York, 1976.
 88. KKKB, pp. 456-7, 460-61.
 89. Harada, Vol. 8, p. 21.
 90. Harada, Vol. 8. p. 17.
 91. Harada, Vol. 8, p. 21.
 92. Showa 14 Nen, p. 131.
 93. Showa 14 Nen, p. 131.
 94. Showa 14 Nen, pp. 131-132.
 95. Showa 14 Nen, p. 131.
 96. Craigie-Halifax, 20 July 1939. DBFP 3-9, p. 303

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97. Robert S. Craigie, Behind the Iron Mask, Hutchison, London, 1946, pp. 76-77.
 98. Halifax-Craigie, 22 July 1939. DBFP 3-9. p. 309
 99. Craigie-Halifax, 15 July 1939. DBFP 3-9, p. 282.
 100. Showa 14 Nen, p. 132.
 101. Craigie-Halifax, 22 July 1939. DBFP 3-9, p. 311.
 102. Statement in House of Commons, 17 July 1939. Parliamentary Debates, 5th Series, House of Commons, Vol. 350, Columns 6-7.
 103. Showa 14 Nen, p. 131.
 104. Asahi Shimbun, 24 July 1939. FO, F7988.
 105. Craigie-Halifax, 23 July 1939. DBFP 3-9, p. 318.
 106. Nelson T. Johnson Papers, Library of Congress, Washington D.C., Box 36. Johnson-Frank Lockhart (U.S. Consul, Peking), 28 July 1939.
 107. FRUS, 1939, Vol. 4, pp. 230-231. Part of an explanatory note from Craigie to Dooman that was wired to Washington on 4 August 1939.
 108. Johnson-Frank Lockhart (U.S. Consul, Peking), 28 July 1939. Johnson Papers, Box 36.
 109. Johnson-Hornbeck, 1 August 1939. Johnson Papers, Box 66.
 110. Chinese Ambassador-Halifax, 24 July 1939. FO, F7902.

Chapter Eight: The Tokyo Conference (2): Police and Security

1. For full text of the agreement, see Japan Foreign Ministry, Showa 14 Nen no Kokusai Josei (hereafter cited as Showa 14 Nen), p. 133. Nippon Kokusai Kyokai, 1941. For English version, Ambassador Craigie-Foreign Minister Viscount Halifax, 23 July 1939. Documents on British Foreign Policy, Series 3, Vol. 9 (hereafter cited as DBFP 3-9), p. 313.
2. This agenda was laid out by Foreign Minister Arita in his July 15 meeting with Ambassador Craigie, Japan Foreign Ministry Archives (hereafter cited as JMFA) S.1.1.1.0-55, Vol. 1, pp. 263-85; for British account, Craigie-Halifax, tel. nos. 786 (F7346/6457/10), 787 (F7347/6457/10) and 789 (F7349/6457/10) in DBFP, pp. 278-83.
3. See memorandum and letter submitted by the Chinese Ambassador to the Foreign Office on 31 July 1939, in DBFP 3-9, pp. 374-76. In the latter document, the Ambassador also said that the British and Japanese assumption that negotiations on currency could be considered part of "the maintenance of peace and order in the... British Concession" was "preposterous."
4. See, for instance, legal opinion submitted to Ambassador Clerk-Kerr in China by the Assistant Judge of the Supreme Court who stated that "he does not see how His Majesty's Consul at Tientsin can execute a warrant

(for the handover of suspects wanted for either violent crimes or currency "violations") of the Court of an unrecognized government" such as the puppet "Provisional Government." Clerk-Kerr-Halifax, 31 July 1939. DBFP 3-9, p. 369.

⁵. According to a ruling by the High Court (King's Bench) issued on 27 August 1939, "Tientsin is not a part of the world over which the King exercises territorial sovereignty," but is simply a "lease of land over which Britain is granted, by treaty, the right to administer, on foreign soil, justice to British subjects." Public Records Office (hereafter cited as FO), Kew, London, F9316.

⁶. Article 21, Treaty of Tientsin, 1858. Hertslet, Treaties Between Great Britain and China, Vol. 1, London, 1896, p. 23.

⁷. See affidavit of Sir John Brennan, 29 August 1939: "The territory of the area (in which the British Concession is located) is foreign territory." The "Foreign Jurisdiction Act (of 1890)" and "previous treaties" "lay out that British courts in China have no jurisdiction to try Chinese subjects or any subject except for British subjects for crimes, even within the municipal area (of Tientsin)," of which the British Concession formed a part. FO, F9734.

⁸. Including officials Aoki and Asakai Koichiro from the East Asia Bureau and Teraoka from the Europe and Asia Bureau. Showa 14 Nen, 1941, p. 134.

⁹. The main participants were General Muto Akira, Deputy Chief of the North China Army General Staff, Colonel Ohta from the Tientsin Special Services (tokko) detachment, Major Ohta Seichi, Military Police (kempei) Chief at Tientsin and Consul Tanaka. Showa 14 Nen, 1941, p. 134.

¹⁰. Consul Herbert and Police Chief Dennis.

¹¹. Comments of Sir John Brennan in reaction to Piggott's March 1939 report on conditions at Tientsin, FO, F4808/1/10.

¹². See, for instance, minute of 16 August 1939 from George Scott, Far Eastern Department: "If the negotiations at Tokyo are to break down, it is clearly desirable that they should do so over the question of Chinese currency and silver stocks, on which we can get third party support, rather than a purely local issue such as the surrender of the four men." FO, F9439.

¹³. Robert Craigie, Behind the ^{Japanese} Iron Mask, Hutchison, London, 1946, p. 77.

¹⁴. This will be discussed in more detail in Chapter Ten.

¹⁵. See, for instance, Sir John Brennan, in reaction to a 16 August article in the Chinese newspaper, Shunpao, on the Tientsin negotiations: "The Chinese have somehow persuaded themselves that in spite of the violent attacks on Great Britain by Chinese nationalism a decade ago it is now the duty of the British to save China from Japan, even at considerable risk to themselves." FO, F10680.

¹⁶. Discussion of economic issues was not taken up until the afternoon of 27 July. After a plenary session devoted to these matters on 28 July, Craigie and Kato agreed on 31 July to put off further discussion by

creating a subcommittee. As a result, security issues continued to dominate proceedings until August 2. Showa 14 Nen, 1941, pp. 140-47.

17. Police Chief Dennis arrived in Tokyo on the weekend of 29-30 July to participate in discussions on 31 July and 1 August. For accounts of subcommittee discussions of 25 and 31 July, and August 1, Showa 14 Nen, 1941, pp. 136-38, 144-45; JMFA S.1.1.1..0-55, Vol. 2, pp. 315-52.

18. For comprehensive list of what was decided upon, see Craigie-Halifax, 5 August 1939, tels. 947-50, F8474/6457/10 (DBFP 3-9, pp. 401-408).

19. In a meeting with the British on 31 July 1939, Minister Kato said that most anti-Japanese groups at Tientsin were linked to the Chinese Communist Party and the Eighth Route Army. JMFA S.1.1.1.. 0-55, Vol. 2, p. 333.

20. According to 1 August 1939 publication of the Japan Advertiser, of a total Tientsin population of just under 1.5 million, the British Concession housed 76,815. JMFA S.1.1.1..0-54, Vol. 8, p. 22. The non-Chinese within the Concession numbered not much more than 1,000. There was also a detachment of almost 800 British soldiers. See 27th Division's 12 May 1939 survey of foreign troops in Gendaishi Shiryo 13, Ni-Chu Senso 5, (hereafter cited as Gendaishi Shiryo 13-5) Misuzu Shobo, Tokyo, 1978, pp. 206-9.

21. As of 31 July 1939, there were apparently only five British nationals in the British Concession's Municipal Police Force, which was estimated by the local Japanese police to number about 630 at this time. Craigie-Halifax, 31 July 1939 (FO F8160); see also police report for Tientsin, 24 July 1939, JMFA S.1.1.1...0-54, Vol. 5, pp. 1-30.

22. For terms of the agreement, see Craigie-Halifax, 5 August 1939, DBFP 3-9, pp. 403-4.

23. See, especially, 23 April 1940 report by the Japanese Consulate at Tientsin on the history of "terrorism" from January 1938. JMFA S.1.1.1..0-54, Vol. 9, 425-650 (especially pp. 425-45).

24. Comments of Major Ohta, 26 July 1939. JMFA S.1.1.1...0-55, Vol. 2, p. 215.

25. This demand was made by the Japanese representatives on the Piggott-Muto subcommittee on 25 July 1939. Consul Herbert replied to this the following day by pointing out that only one newspaper was printed in the Concession (the Peking and Tientsin Times), which invariably towed "the official (i.e. pro-Japanese) line." Although Japanese delegate Major Ohta complained that anti-Japanese literature had been secretly printed and circulated, he did not specifically say whether it originated in or was discovered in the British Concession, or how much was found. In view of the lack of such charges in any of the police reports or Foreign Ministry surveys of intra-Concession anti-Japanese activities, it is difficult to attach much credence to the charge. JMFA S.1.1.1.0-55, Vol. 2, pp. 196, 216-23. With regard to films, almost everything that was viewed in the Concession had, according to Craigie, "already been shown in the International Settlement in Shanghai where a strict censorship is enforced" (in which the Japanese participated) and that, in any event, list had to be provided in advance to the British Municipal Police, who could arrange a pre-view if they wanted. Craigie-Halifax, 5 August 1939. DBFP 3-9, pp. 401-2.

26. Japanese demand put forward in 25 July meeting of Piggott-Muto subcommittee on public safety. According to Craigie, "under (existing) regulations of the British Municipal Council no political meetings are allowed to be held in British Municipal area." No Japanese delegate during the negotiations made the assertion that such meetings were nevertheless taking place. JMFA S.1.1.1..0-55, Vol. 2, p. 195; DBFP 3-9, p. 402.
27. According to Herbert, the schools within the British Concession had been using textbooks approved by the Japanese and the Provisional Government for five months and had forbidden the use of others. The Japanese did not deny this, arguing only that anti-Japanese textbooks were being "secretly" circulated in the Concession and that "anti-Japanese oral teaching apart from books" was taking place. Whether this was a) true and b) any more preventable by having Japanese as well as British inspecting schools is open to doubt. JMFA S.1.1.1..0-55, Vol. 2, p. 216; Craigie-Halifax, 28 July 1939. DBFP 3-9, p. 344.
28. See Herbert's comments on meeting of 26 July 1939 and Craigie's comments in 5 August despatch to London, JMFA S.1.1.1..0-55, Vol. 2, p. 216 and DBFP 3-9, p. 404.
29. For fuller description of 1)-4), see Chapter Two.
30. DBFP 3-9, p. 363.
31. Craigie-Kato, 27 July 1939 (morning meeting). JMFA S.1.1.1...0-55, Vol. 2, pp. 246-7.
32. JMFA S.1.1.1...0-55, Vol. 2, pp. 322-30.
33. See 22 July Foreign Ministry memorandum about Japan's negotiating position in the upcoming police talks. For English version, JMFA S.1.1.1...0-55, Vol. 2, p. 80. In the Japanese version of this document, mention was also made of trying "to exclude everyone living in the Concession (i.e. other foreigners as well as Chinese) apart from the British from being subject to extra-territorial privileges" (sokainai ni kyoju suru Eikokujin igai no kakkokunin ni taishi shozoku honkoku ga oyobosubeki shihojo gyoseijo no kankatsu o josuru). JMFA S.1.1.1...0-55, Vol. 2, pp. 59-65.
34. See for instance 26 July meeting of Muto-Piggott subcommittee. Proposals emanated from Ohta, Piggott and Muto respectively. JMFA S.1.1.1...0-55, Vol. 2, pp. 232-33.
35. This term was jointly agreed upon at a meeting on 31 July of the "Public Safety" subcommittee. JMFA S.1.1.1.0-55, Vol. 2, pp. 339-40.
36. Craigie-Halifax, tel. 949, 5 August 1939 (F8475/6457/10). DBFP 3-9, pp. 407-408.
37. Colonel Ohta-Herbert, Dennis in 31 July meeting of "public safety" subcommittee. JMFA S.1.1.1.. 0-55, Vol. 2, p. 341.
38. Quotes in this paragraph from the following: "Wagaho toshite kono sai "tsuyoki gimon" naru go no gutaiteki naiyo o Tokyo ni oite kettei shioku koto wa omoshirokarazu... gimon aru toki wa Nihon kempei shoko to Dennis-sho itcho katariau ni yoru koto to seri." JMFA S.1.1.1.0-55, Vol. 2, pp. 340-41.

39. For Craigie remark, made in meeting on 26 July 1939, see JMFA S.1.1.1..0-55, Vol. 2, p. 230. In the draft agreement telegraphed to London on 5 August 1939, it was stated that "British Municipal Council Police will be prepared to regard as evidence for this purpose (i.e. "handover for trial by Tientsin District Court"). confessions made to Japanese gendarmerie (and they will not accept subsequent retraction of such confessions on the ground that they were made as a result of ill-treatment unless there is physical evidence of such ill-treatment)." DBFP 3-9, p. 407.
40. Craigie-Halifax, 29 July 1939, DBFP 3-9, p. 357
41. Craigie-Halifax, 30 July 1939, F8171, DBFP 3-9, p. 362.
42. Craigie-Halifax, 30 July 1939, F8171, DBFP 3-9, p. 362.
43. Confession was made on 28 August 1939 and received in London a month later. FO, F10472.
44. Suggestion made in 29 July meeting. See Craigie-Halifax, 30 July 1939, DBFP 3-9, p. 362.
45. DBFP 3-9, p.362.
46. This was produced in meeting with Craigie on 27 July. Reported in Craigie-Halifax, 29 July 1939, DBFP, 3-9, p. 357.
47. Scott minute, 1 August 1939. FO, F8175
48. JMFA, S.1.1.1.. 0-54, Vol. 6, pp. 71-2.
49. In internal discussions within the Far Eastern Department, it was decided that, while "pretty slender, the additional "evidence" that Craigie had presented was "perhaps sufficient to justify our handing over of the four men." Scott minute, 1 August, FO, F8175. Although the handover of the detainees was to be delayed a few more weeks by the intervention of private lawyers with a greater concern for the detainees' rights than that of the British Government, it was this decision that effectively sealed their fate.
50. According to Craigie, the terms of the deal worked out with the Japanese at the end of July was that Ssu Ching-wu would be handed over and interned by the de facto authorities while "the other three internees" would be "expelled unobtrusively and at their own time from the Concession." DBFP 3-9, pp. 363-4.
- 51 See Gendaishi Shiryo 13-5, pp. 192-3.
52. According to Japanese records, this issue was first discussed on 27 July 1939. At this meeting, Herbert told his Japanese colleagues that, if the nine other officers under Li who were supposedly "anti-Japanese" were to be dismissed, the British Municipal Police Force would be incapacitated. JMFA S.1.1.1..0-55, Vol. 2, p. 240-45.
53. Neither of these allegations were technically an offence since Britain diplomatically recognized the Chinese National Government, as well as its right to exercise authority over Chinese nationals within the British Concession and elsewhere in Tientsin.

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- ⁵⁴. JMFA 1.1.1..0-55, Vol. 2, p. 244.
- ⁵⁵ For allegations concerning Li's involvement with anti-Japanese activists prior to the outbreak of the Tientsin Incident, see Tashiro-Arita, 13 July 1939. JMFA S.1.1.1...0-54, Vol. 4, pp. 83-88.
- ⁵⁶. Japanese negotiators asserted that the Li and his associates in the Municipal Police Force originally only investigated the conspirators for a day and then tried to release them. JMFA 1.1.1..0-55, Vol. 2, p. 244; Craigie-Halifax, 30 July 1939. DBFP 3-9, pp. 364-65.
- ⁵⁷. Craigie-Halifax, 29 July 1939. DBFP 3-9, p. 357.
- ⁵⁸. As reported by Craigie in Craigie-Halifax 30 July 1939. DBFP 3-9, p. 364. For reference to "flimsy evidence", see Ambassador Clerk-Kerr-Halifax, 31 July 1939. DBFP 3-9, p. 370.
- ⁵⁹. See Clerk Kerr-Halifax, 31 July 1939 and Craigie-Halifax, 30 July 1939. DBFP 3-9, pp. 370, 364-65.
- ⁶⁰. As recounted by Craigie in Craigie-Halifax, 30 July 1939, DBFP 3-9, p. 365.
- ⁶¹. See previous note.
- ⁶². Such as four joint-investigations carried out with assistance from the Japanese police of anti-Japanese suspects within the British concession during March and April of 1939. Ten people were arrested. See Japanese Foreign Ministry Communiqué, 25 July 1939, JMFA S.1.1.1..0-55, Vol. 2, pp. 184-93.
- ⁶³ See, for example, memorandum on Japanese participation in anti-British activities in China during the summer months of 1939 dated 12 September. FO F10039.
- ⁶⁴. 27th Division report on conditions at Tientsin at the end of July. JMFA S.1.1.1...0-54, Vol. 5, pp. 136-65. Quotation from p. 139.
- ⁶⁵ See North China Army" General Staff document of 29 May 1939 entitled "Tenshin Ei-Futsu Sokai ni Tai Suru Kosaku Yoryo An" in Gendaishi Shiryo 13-5, pp. 216-17. See also 13 June 1939 "Order of North China Army" in JMFA S.1.1.1...0-54, Vol. 2, pp. 58-64.
- ⁶⁶. See 2-3, 2-4 and 2-5 in "Tenshin Ei-Futsu Sokai ni tai suru Kosaku Yoryo An" (North China Army General Staff, 29 May 1939 in Gendaishi Shiryo 13-5, pp. 216-17 and 13 June Order of the North China Army, JMFA S1.1.1...0-54, Vol. 2, pp. 58-64. Quotation on p. 62.
- ⁶⁷ See Foreign Ministry telegram no. 1430 to Consul-General Tashiro, 6 June 1939, entitled "Tenshin Sokai Mondai ni Kan Suru Ken." JMFA S.1.1.1...0-54, Vol. 1, pp. 421-5. Also quoted in Uchiyama Masataka's study, "Tenshin Eikoku Sokai Fusa no Haikei" (Background to the Blockade of the British Concession at Tientsin), Chapter Seven of Gendai Nihon Gaikoshi Ron, Keio Daigaku Hogaku Kenkyukai, Vol. 33, p. 225.
- ⁶⁸ Even General Piggott, one of the most outspoken British proponents of the Japanese view that the British Concession had become a haven for terrorists, came away from Tientsin with a high opinion of the calibre

of the concession police force. See Francis S.G. Piggott, Broken Thread, Gale and Polden, Aldershot, 1950.

⁶⁹ "Minutes of the 25th Session of the League of Nations Advisory Committee on Traffic in Opium and Other Dangerous Drugs," 1940. See United States National Archives (hereafter cited as USNA), Record Group (hereafter cited as RG) 238, Court Exhibit No. 372, International Tribunal for the Far East (hereafter cited as IMTFE), pp. 32, 35. See also Jamieson-Halifax, 28 January 1939. FO, F1983.

⁷⁰ See especially minutes of 22nd (May-June 1937) and 24th Session of Advisory Committee on Traffic in Opium and Other Dangerous Drugs (8 July 1939). USNA, RG 42, IMTFE Exhibits Nos. 288 and 388.

⁷¹ For discussion of lax treatment of non-Chinese in consular courts of Japanese and other foreign-run, extra-territorial areas, see Frederick T. Merrill, Japan and the Opium Menace, Institute of Pacific Relations, New York, 1942, p. 37.

⁷² According to one contemporary estimate (the China Problems Research Institute), "35% of all capital invested in new business in Tientsin (in the late 1930's) went towards setting up new opium shops and dens." Merrill, 1942, pp. 48-50.

⁷³ For instance, according to an aide-memoire from Washington in the British archives, most of the heroin consumed in the United States since 1935 was produced in the Japanese Concession at Tientsin. In 15 months, 650 kilos of the drug was exported -- enough to maintain 10,000 addicts for a year. U.S. aide memoire, 27 February 1939. FO F1898.

⁷⁴ Jamieson-Halifax, 28 January 1939. FO, F1983.

⁷⁵ Comment of Egyptian delegate in "Minutes of 22nd Session of League of Nations Advisory Committee on Traffic in Opium and Dangerous Drugs," May-June 1937. IMTFE Court Exhibit No. 383, p. 62. RG 238, USNA.

⁷⁶ Merrill, 1942, p. no.

⁷⁷ According to the U.S. aide memoire of 27 February 1939, 650 kilos of heroin was exported from the Japanese Concession in 15 months, enough to maintain 10,000 addicts for a year. FO, F1898.

⁷⁸ Merrill, 1942.

⁷⁹ Merrill, 1942.

⁸⁰ Egyptian delegate in minutes of 22nd session of League of Nations Advisory Committee on Traffic in Opium and Dangerous Drugs, May-June 1937. USNA, RG 238, IMTFE exhibit 383.

⁸¹ Comments of Jack Belden in China Weekly Review, 12 June 1937.

⁸² Jack Belden, China Press, 18 May 1937. FO, F5229.

⁸³ Comments of Peter J. Lawless, inspector of police in Tientsin British Concession, in Court Record for the IMTFE, pp. 2,676-77. Microfilm, Library of Congress, Washington D.C.

^{84.} Reports by Consul Tribe from Weihaiwei, 10 May, 6 June 1939. FO, F3727, 5414.

^{85.} IMTFE testimony of Peter J. Lawless. Court Record pp. 2,716-18. Extrapolating from calculations of U.S. delegate on League of Nations Advisory Committee on Traffic in Opium and other Dangerous Drugs, meeting 8 July 1939. USNA, RG 238, IMTFE Court Exhibit No. 388.

^{86.} JMFA S.1.1.1...0-55, Vol. 2, p. 234.

^{87.} For text of communiqué, see Showa 14 Nen, 1941, p. 145.

^{88.} Showa 14 Nen, 1941, p. 146. See also Craigie-Halifax, 5 August 1939. DBFP 3-9, pp. 409-10.

^{89.} Comment of General Muto in meeting with British delegation in Tokyo on 26 July 1939. JMFA S.1.1.1...0-55, Vol. 2, p. 216.

^{90.} See item 2) in Craigie-Halifax, 5 August 1945. DBFP 3-9, p. 403.

^{91.} According to a Foreign Ministry paper of 25 July 1939, Japan originally wanted a contingent of 30 to be stationed within the Concession (see JMFA S.1.1.1...0-55, Vol. 2, pp. 188-93). That number was reduced to ten.

^{92.} See Craigie-Halifax telegrams nos. 946, 948, 949 and 950 on 5 August 1939. DBFP 3-9, pp. 401-8.

^{93.} Craigie-Halifax, tel no. 949, 5 August 1939. DBFP 3-9, pp. 306-8.

^{94.} See Craigie comment in 26 July meeting with the Japanese delegation. According to them, Craigie's remarks when translated into Japanese were: "Ko-Nichi 'terror' hannin ni kanshite wa tadachi Nippon gunken ni hikiwatasu koto toshi kore ni sakidachi Eikokugawa ni oite kore ga kenmon o okonowazaru koto to itasubeshi." JMFA S.1.1.1...0-55, Vol. 2, p. 232.

^{95.} JMFA S.1.1.1...0-55, Vol. 2, p. 230.

^{96.} As reported by Craigie in Craigie-Halifax, 26 July 1939. DBFP 3-9, p. 337.

^{97.} This will be discussed in more detail in Chapter Ten.

Chapter Nine: The Tokyo Conference (3): The Talks Break Down

¹ These consisted of a group of Foreign Ministry officials in Tokyo and diplomatic and military representatives from North China under the leadership of Minister-at-Large Kato Sotomatsu and General Muto Akira from the North China Army General Staff.

² As will be discussed in more detail later, the only efforts to generate a serious negotiation was the setting up a subcommittee at the end of July to look into the currency and silver problems under consideration and a request by Ambassador Craigie to Whitehall in early August to be more flexible over Japan's silver demands.

³ Comments of U.S. Military Attache McHugh in conversation with British Ambassador to China, Sir Archibald Clark-Kerr, 26 July 1939. See Sir

Llewelyn Woodward (ed), Documents on British Foreign Policy, Series Three, Volume Nine (hereafter cited as DBFP 3-9), Her Majesty's Stationery Office, 1955, p. 341.

⁴ For text of Hiranuma press statement, see Japan Foreign Ministry, Showa 14 Nen no Kokusai Josei (hereafter cited as Showa 14 Nen), Nippon Kokusai Kyokai, 1941, pp. 130-131.

⁵ See conversation between Foreign Minister Halifax and Chinese Ambassador to London, 6 July 1939. Public Record Office, Kew, London (hereafter cited as FO) F 6988/11/10. See also DBFP 3-9, p. 248.

⁶ See memorandum from Chinese Embassy in London to British Foreign Office, 18 July 1939 in DBFP, 3-9, p. 294. See also Parliamentary Debates, Fifth Series, House of Commons, Volume 349, Column 2632.

⁷ Young, Arthur Nichols, China and the Helping Hand, 1937-1945, (summary by countries 1937-1941), Harvard University Press, Cambridge, 1963, p. 440.

⁸ Comments of Foreign Secretary Halifax to Chinese Ambassador Quo on 18 and 29 July 1939. DBFP 3-9, pp. 292-293, 389-391. See also meeting of July 6, DBFP 3-9, pp. 248-249.

⁹ On 30 July 1939, the Army Deputy Chief of Staff informed the Emperor that the General Staff believed that it was "virtually certain" (daitai shonin subeku) that Britain would prohibit fapi and allow FRB notes to circulate in the Concession "by about the middle of August (hachigatsu chujun goro)." Unpublished Diary of General Hata Shunroku (hereafter cited as Hata), Emperor's Military Aide-de-Camp and later War Minister, entry of 30 July 1939, Japanese Self-Defence Archives (Boeicho Kenkyusho Senshishitsu), p. 132.

¹⁰ Secretary of State-Japanese Ambassador (Horinouchi), 26 July, 1939. See Foreign Relations of the United States (hereafter cited as FRUS), 1939, Vol. 3, U.S. Department of State, Washington D.C., pp. 558-559. Most Favored Nation trade status was defined by Article Four of the 1911 treaty as the right to have "reciprocal freedom of commerce and navigation.. equally with the citizens or subjects of the most favored nation." for more on the origins of the 1911 treaty and what preceded it, see State Department decimal files 711.942/147 and 711.942/167 in United States National Archives (hereafter cited as USNA), Washington D.C.

¹¹ In his memoirs, Secretary of State Cordell Hull stated that, in a meeting with the Ambassador Horinouchi on 10 July 1939, he "condemned" Japan for allowing Americans and other westerners to be divested "of all clothing in public," "stripped stark naked" and "exposed to public view" at the Tientsin Concession barriers. He also described the Arita-Craigie accord as a "disturbing victory" for Japan "in her never-ending quest for recognition of 'special rights, special interests and special requirements' in China." Memoirs of Cordell Hull, New York, Macmillan, 1948, 2 Volumes, pp 631-633, 635.

¹² See, for instance, FRUS, 1939, Vol. 4, p. 356-357, Secretary of State-Charge d'Affaires Dooman: the "increasingly violent and widespread agitation directed nominally against British nationals and interests" was "a deliberate effort to arouse anti-foreign feeling among Chinese" that was "working injury upon American interests", 25 July 1939; p. 361, State Department Press Conference, 2 August 1939; p. 366, Acting

Secretary of State-Lockhart (Peking), 9 August 1939 "reports of anti-American agitation.. as contained in your and Chungking's recent telegrams and in frequent press despatches from China are causing us concern."

¹³ See, for instance, 31 July edition of Chicago Daily News, which praised the administration for "at last" standing up to Japan in a way that "should have been done when Japan broke the Nine Power Treaty For a second time by invading China (in 1937)." USNA, State Department 711.942/202B

¹⁴ According to an economic report submitted in December 1939 to the British Foreign Office, the value of U.S. trade with China fell by over 50% between 1937 and 1938, with hardly any increase being forecast for 1939. U.S. percentage of total foreign trade also fell from 28% to 11% between 1937 and 1938, with only a slight respite during the first six months of 1939. Total tonnage of U.S. ships entering and leaving Chinese ports by 1938 had declined to about 1/10 of its 1936 figure. See "Some Effects of Japanese Action in China upon Western Influence and Commercial Interests," FO, F371/23487.

¹⁵Quote from Far Eastern Department memorandum, dated 11 March 1939, on effects of exchange controls on trade in China. In subsequent memorandum of 3 April 1939, it was admitted that these measures had made the U.S.-Japan commerce treaty "obsolete." USNA, State Department, 711.942/1701/2.

¹⁶ Estimate from William Langer, The Challenge to Isolation, 1937-1941, Harper, New York, 1952, p. 152. According to another source, "Over 40% of Japanese exports and more than half her imports were with the United States", with "the trend over the first two and a half years of the China Incident" for "Japanese exports to fall sharply while imports from the United States continued to rise." Peter Calvocoressi, Guy Wint and John Pritchard, Total War: The Causes and Courses of the Second World War. Volume II: The Greater East Asia and Pacific Conflict. Penguin Books, London, 1989.

¹⁷ Quotes from 11 May 1939 memorandum from Welles to Hull about need to renegotiate the 1911 U.S.-Japan Commerce Treaty. USNA, State Department, 711.942/1707/2.

¹⁸ Congressional Record, Vol. 84, pat. 9, p. 9341. Resolution introduced by Senator Arthur H. Vandenberg, 18 July 1939.

¹⁹ The motive of "better safeguarding and promoting American interests" was given as the official reason for the treaty termination proclamation, prompting Vandenberg and a number of others to assume that a new treaty would be negotiated that contained better MFN provisions. See description of press conference held by Secretary of State on 31 July 1939 in Hull-Dooman, 31 July 1939. FRUS, 1939, Vol. 3, pp. 563-564.

²⁰ Quote from speech by President Roosevelt to Congress, January 1939. Public Papers of Franklin D. Roosevelt, 1939, pp. 1-12. Quoted in Langer, 1952, p. 47.

²¹Quote from Thomas A. Bisson in 4 August 1939 edition of Foreign Policy Bulletin. USNA, State Department 711.942/243.

²² These were the measures specifically mentioned by Bisson in his 4 August article for Foreign Policy Bulletin. USNA, State Department 711.942/245.

²³ Statement of the Foreign Office Spokesman Concerning the American Notification of Abrogation of the Japanese-American Treaty of Commerce and Navigation, 27 July 1939. Documents on American Foreign Relations 1939-1940, World Peace Foundation, 1940. See also USNA, Department of State files 711.942/180.

²⁴ Radio broadcast by Yoshizawa Sei-jiro, Director of the American Affairs Bureau of the Japanese Foreign Ministry. USNA, Department of State, 711.942/275.

²⁵ Quotes from Hata, entry For 1 August 1939, p. 134-136.

²⁶ Although the Japanese Foreign Ministry did initially say (27 July 1939) that the timing of Washington's treaty abrogation proclamation might have had something to do with Washington's displeasure over the course of Anglo-Japanese conversations on Tientsin (see Documents on American Foreign Relations 1939-1940, p. 245), the move was subsequently interpreted either as a political gesture having more to do with power politics in Washington than American policy in Asia or as an "effort" to "settle the question of its rights and interests in China" in a more favorable way to the United States (see Dooman-Hull, 4 August 1939, FRUS, 1939, Vol. 3, p. 565). That this might have heralded a more positive American role in the defence of the interests of any of its Allies at Tientsin (or in North China or even China generally) was apparently rapidly discounted. See also Kato Sotomatsu's remarks to Craigie on 9 August about abrogation notice being an "internal matter" that "might not have any bad effect on U.S.-Japan relations." JMFA S.1.1.1...0-55, Vol. 3, p. 226.

²⁷ Quotes in this paragraph taken from 29 July 1939 statement from Chinese Foreign Minister and reported comments of Chiang Kai-shek in a 31 July meeting with U.S. Ambassador Nelson T. Johnson. See Johnson-Hull, 31 July 1939 (711.942/195) and Johnson-Hull, 31 July 1939 (711.942/196) in FRUS, 1939, Vol. 3, pp. 562-563.

²⁸ Quote from minute by Ronald of the Far Eastern Department in Cabinet conclusions for 2 August 1939. FO, F8393.

²⁹ FO, F8151, Clark-Kerr-Foreign Office, 30 July 1939.

³⁰ Statement by the Prime Minister in the House of Commons, 31 July 1939. FO, F8404.

³¹ Cabinet conclusions 40(39), 2 August 1939. FO, F8393.

³² Message conveyed by Charge d'Affaires Dooman to Vice Minister for Foreign Affairs Sawada on 3 August 1939. See Dooman-Hull, 3 August 1939. FRUS, 1939, Vol. 4, p. 230.

³³ See previous note.

³⁴ As was pointed out by the British, the reason fapi was circulating elsewhere was not because of its circulation within the British Concession but because it had much greater backing and international recognition than its FRB rival. For account of 27 July meeting, JMFA S.1.1.1.0-55, Vol. 2, pp. 258-275 (esp. pp. 260-261).

³⁵ According to Japanese estimates, as many as 160 million FRB notes were circulating in North China by late-July 1939. JFMA S.1.1.1..0-55, Vol. 2, p. 262.

³⁶ On 28 July, in reply Kato's claim that fapi had been eliminated five months previously, Commercial Counselor Macrae provided evidence that Chinese currency was still circulating in Chintow and other extra-territorial areas "to a considerable extent". JFMA, S.1.1.1..0-55, Vol. 2, pp. 258-260, 285.

³⁷ The Japanese argued that, as a result of fapi use in the British Concession, illegal trade between northern and central China was encouraged, thereby preventing the strengthening of the yen bloc, encouraging the flight of capital from North China etc. Kato Sotomatsu, 27 July 1939. JFMA, S.1.1.1..0-55, Vol 2, p. 260.

³⁸ For account of the implementation of currency exchange controls in North China, see Kuwano Hiroshi, Senji Tsuka Kosaku Shi Ron, Hosei Daigaku Shuppankyoku, 1965, pp. 41-59.

³⁹ After trading at a discount with fapi since its inception in March 1938, Federal Reserve Bank notes started trading at a discount from August 1939 to February 1940 and then from June 1940 continuously. See Rengin Chosa in Kuwano, p. 43.

⁴⁰ According to the report of the Japanese and British joint subcommittee on economic affairs on 1 August 1939, there were only about 14 million Chinese silver dollars in the British Concession, probably less than half of the amount in the French Concession and also less than in the Legation Quarter in Peking. JMFA S.1.1.1..0-55, Vol. 3, pp. 28-34. As percentage of total backing for Chinese fapi, which was estimated to be at about 750 million Chinese dollars, it amounted only to about 2%. Estimate from Young, 1963, pp. 7, 30 and 63.

⁴¹ For description of 1935 currency reform, see "Notes by Sir F. Leith Ross on his mission to China" in Documents on British Foreign Policy, Second Series, Vol. 20, publisher, date, p. 1003-1033. For impact on North China, see memorandum from British Foreign Office to Japanese Foreign Ministry, 21 November 1939, JFMA S.1.1.1..0-54, Vol. 7, pp. 60-63. See also 1 August report of economic subcommittee, JMFA S.1.1.1..0-55, Vol. 3, pp. 28-34.

⁴² Japan's view was always that the decision to withdraw silver from circulation in 1935 did not mean that it belonged to the state. for historical synopsis of events 1935-1939 based on this view, see memorandum by Yoshida Seiji, 10 October 1939, JMFA S.1.1.1..0-54, Vol. 6, pp. 315-323 (especially pp. 316-317).

⁴³ For synopsis of British position, see Craigie's explanation in meeting with Japanese negotiators on 28 July 1939. JMFA S.1.1.1..0-55, Vol. 2, pp. 285-287.

⁴⁴ This point was stressed by Kato in his reply to Craigie in the 28 July meeting, in JMFA S.1.1.1.. 0-55, Vol. 2, pp. 288-289, and also by Japanese members of the economic subcommittee in a "points of difference" section in its report of 1 August 1939. See JMFA, S.1.1.1..0-55, Vol. 3, pp. 28-34.

⁴⁵ The laws of extra-territoriality were never meant to apply to anyone other than British or other Foreign nationals. When Britain agreed to hand over criminal suspects to the local authorities, it was, as Japan argued, "beyond dispute that the Chinese government in the Tientsin area has the right to exercise judicial and administrative powers over the Chinese residing in the British Concession." That meant control over their assets (i.e. silver deposits) as well as their bodies (i.e. handover of the suspects). JFMA S.1.1.1.0-55, Vol. 2, p. 80.

⁴⁶ Craigie-Halifax, 1 August 1939. DBFP 3-9, pp. 379-380.

⁴⁷ In a telegram to London, Craigie said that a British refusal to implement a Tientsin District Court order to hand over the silver would constitute a breach of Chinese laws that would be interpreted by Japan as an action based on "purely political notions and unsound legal grounds." Craigie-Halifax, 12 August 1939, DBFP, 3-9, p. 459.

⁴⁸ Summary of Kato's arguments by Craigie in Craigie-Halifax, F 8381/6457/10. See DBFP 3-9, pp. 392-393.

⁴⁹ These were on 20 July and 4 August. See "Instances of Anti-British Agitation in China. June 15-August 15," FO F371/23486/84407. See also "Instances of Anti-British Activities in China. September-October 1939," FO, FO 371/23487/84407. See also 1 November 1939 memorandum by A. Scott (FO 371/23486/11525). Throughout this period, there seemed to be less Chinese discontent with Britain in North China than in the unoccupied South. But concentrated largely upon Britain's failure to uphold China's rights under the Versailles and Washington Treaties as an independent state, this discontent was also directed against the perceived intrusions of a number of foreign powers (especially Japan), with only certain right-wing members of the Chinese elite, some of whom were involved in suppressing anti-British agitation from the 1920s, warning that failure by Britain to act as a reliable "big brother" to China might actually offer the Japanese an opportunity to "fill the breach" in this regard. See memorandum initialled by G.F.A. on Chinese reactions to Arita-Craigie formula (FO 371/23531/84596) and editorial of Shun Pao, Shanghai for 16 August, translated as "A Word to the British on the Anglo-Japanese Negotiations." FO F371/23533/84610.

⁵⁰ Kido Koichi Kankei Bunsho (Documents Concerning Kido Koichi) (hereafter cited as KKKB), Kido Nikki Kenkyukai (ed), Tokyo Daigaku Shuppankai, 1966, pp. 460-62.

⁵¹ Sir Robert Craigie, Behind the Iron Mask, Hutchison, London, 1946, pp. 76-77.

⁵² Figures from the Internal Security Division of the Home Ministry Police Bureau (Naimusho Keibokyoku Hoanka), as well as the Osaka and Tokyo publications of the daily newspaper, the Asahi Shimbun. See Nagai Kazushii, "1939 Nen no Hai-Ei Undo," in Nenpyo, Kindai Nihon Kenkyu - 5, Yamakawa Shuppansha, 1983, p. 227.

⁵³ Quoted from "Showa 12 Nen yori 20 Nen Shigatsu Shigatsu Jimuseki," in Kyurikukaigun Kankei Bunsho, p. 1527. Nagai, p. 243, 253.

⁵⁴ All the quotes in this paragraph come from a July 24 statement of Seinento Osakafuren (Eikoku seiryoku o zenmenteki ni Shina zendo yori kuchiku suru wa Toa shinchitsujo kensetsu no kiso nari. Waganin wa Tokyo Kaidan ni okeru Eikokugawa ichibu no johu ni manzoku suru koto naku migi

mokuteki kantetsu no tame nao jubun kaidan o kanshi suru o yosu). Nagai, p. 247.

⁵⁵ Harada Kumao, Saionji Ko to Seikyoku (Prince Saionji and the Political Situation) (hereafter cited as Harada), 9 Vols., Iwanami Shoten, Tokyo, 1950-1951 and 1956, Vol. 8, p. 39.

⁵⁶ Hata, p. 133. Also note that, as late as 22 July, the Emperor was saying that "the question of an anti-communist military alliance with Germany was not a particularly pressing matter" (bokyo kyotei mo betsu ni isogu koto naku). Hata, p. 128.

⁵⁷ For full text, see Ohata Tokushiro in James Morley (ed), Deterrent Diplomacy, Columbia University Press, 1976, pp. 104-105.

⁵⁸ On May 28, a Japanese cavalry regiment was annihilated by Outer Mongolian forces. On June 27, the Kwantung Army Commander initiated an air attack far inside Mongolian territorial lines, in violation of General Staff orders that explicitly forbade raids outside the disputed border area. From 1-11 July, the 23rd Division and other Kwantung Army units were beaten back from the left bank of the Halha river with heavy losses, according to Soviet estimates, with 4,000 Japanese casualties in one battle on July 3 alone (G.N. Sevost'janov, in Voprosi Istorii, No. 8, (1957) p. 68). There was also a fruitless Japanese artillery offensive on July 23. Hata Ikuhiko in Taiheiyo Senso E no Michi, translated in Morley, Deterrent Diplomacy, pp. 163-167; Larry Moses, "Soviet-Japanese Confrontation in Outer Mongolia: The Battle of Nomonhan-Khalkin Gol", in Journal of Asian Studies, 1967, Vol. 1.

⁵⁹ Translation of "Ima ni natte gosho kaigi ni kaketatte.. yaru toki wa damatte yatte oite, shikujitte kara matte kuru to iu no wa omoshirokunai. Tonikaku kokkyo o fukkatsu suru made yattara ii jiya naika?" Harada, Vol. 8, p. 85.

⁶⁰ Translation of "gaiko kosho ni utsuru koto wa mokka no tokoro sukoburu konnan nari". Hata, p. 133. See also Young, p. 95: "The foreign minister instructed Ambassador Togo to sound Soviet opinion without specifically indicating that Japan was eager to settle the affair by diplomatic means. Thus another month filled with disastrous defeats and heavy losses slipped by, to the desperation of the General Staff."

⁶¹ In the Soviet-Mongolian offensive of 20-31 August, Japanese forces were, according to a Japanese historian, "dealt losses approaching annihilation," with over 71% of an entire division suffering casualties (about 11,000) and with the prospect of an entire army (Sixth Army) being "thrown into uncontrollable confusion" had Soviet and Mongolian forces advanced beyond the boundary lines they were claiming. Hata Ikuhiko in Morley (ed), Deterrent Diplomacy, p. 170, 175. In an official Japanese statement on 18 November 1939, 18,000 Japanese were said to have been killed in the entire conflict (Owen Lattimore, Nationalism and Revolution, p. 89). Japanese Army sources (Kwantung Army's 6th Army Medical Division) estimated that Japan suffered 20,000 casualties -- i.e. dead and wounded -- in the offensive (Alvin D. Coox, Nomonhan. Japan Against Russia 1939. pp. 915-919, 2 vols., Stanford University Press, Stanford, California, 1985. Russian sources, basing their estimate in part upon remarks made by Manchukuoan puppet dictator Henry Pu-yi, who was invited to witness operations, say that total casualties for Japan were between 52-55,000, with 25,000 killed, with 9,000 dead for Soviet and Mongolian forces (N.F. Kuzmin, Na struze mirnogo truda, 1921-1940, Moscow 1959, quoted in Moses).

⁶² Kazu H. Young, "The Nomonhan Incident -- Imperial Japan and the Soviet Union" in Monumenta Nipponica, Vol. 22, nos 1-2 (1967).

⁶³ According to the Home Ministry Police Bureau Chief (Naimusho Keibokkyoku Cho), about thirty colonels from within the War Ministry had opened communication with the ultranationalist Okawa Shumei in their effort to promote an offensive and defensive alliance with Germany by bringing down the Hiranuma government. Harada, Vol. 8, p. 39.

⁶⁴ "Tokyo kaidan no seiko ni yotte bokyo kyotei kyoka hoshin no ue ni eikyo o ukeru koto wa zettai ni nai." Hiranuma press conference, 22 July 1939. Showa 14 Nen, pp. 131-132.

⁶⁵ for account of negotiations between the two countries, Ohata Tokushiro in James Morley (ed), Deterrent Diplomacy, 1976.

⁶⁶ For text of the Hiranuma June proposal for an alliance: Morley, pp. 104-105.

⁶⁷ Secret Item of Understanding proposed by Japan, January 1939. Morley, pp. 275-277.

⁶⁸ Draft of Article Two of proposed treaty (agreed to by Germany). Morley, pp. 275-277.

⁶⁹ Young, p. 95.

⁷⁰ Hata, p. 134.

⁷¹ Translation of Harada Kumao's rendition of what the Japanese Naval attache said: "Kekkyoku Doku-I to Ei-Futsu no aida ni senso ga okonatta bawai wa, Nihon toshite wa koiteki churitsu o shite kurereba sore de yoi noda to omou." Harada, Vol. 8, pp. 37-38.

⁷² According to Article Two of the draft treaty, the cosignatories were only required to "meet promptly to consult and reach agreement concerning those measures necessary to carry out their obligations." Morley, p. 276.

⁷³ Entry for August 7, Hata Shunroku Diary. Hata, p. 137.

⁷⁴ Harada, Vol. 8, p. 42, Hata, p. 134.

⁷⁵ The Hiranuma administration was to resign before this conference could be held.

⁷⁶ See especially words of Navy Vice Minister Yamamoto in Harada, Vol. 8, p. 24, 30. See also Hata, pp. 137-138.

⁷⁷ According to remarks made by Home Minister Kido's private secretary on 27 July, there was talk that a combination of disaffected army officers (rikugun no ichibu) and "ultra-rightist fanatics under their control" (to sono shihai ni aru uyoku) were going to "denounce senior ministers in favour of preserving the status quo" (jushin no iwayuru genjo iji ha no renchu o haigeki suru), that they were "thinking of assassinating the Home Minister" (Nai Daijin ansatsu no keiryō) and plotting to replace him with "someone likely to act as an army robot" such as Prince Konoe Fumimaro or even current Prime Minister Hiranuma

Kiichiro (arui wa Hiranuma, arui wa Konoe toiu yo na rikugun no robot ni nariyasui sha o Nai Daijin ni shitai). Harada, Vol. 8., p. 31.

⁷⁸ According to Harada Kumao, Navy Minister Yonai said, "if the Army demands on the military alliance issue are accepted, there will be no other alternative than to bring the Cabinet down" (Rikugun no moshikonda gunji domei ni sosuru tosureba, naikaku wa kekkyoku taoreru yori hoka ni nai). Harada, Vol. 8, p. 42.

⁷⁹ Letter from Itagaki to the German and Italian Ambassadors to Japan. Ohata, in Morley, p. 110.

⁸⁰ According to Edward J. Drea, Japan was reading "American diplomatic traffic with embarrassing regularity throughout the summer of 1939." See "Reading Each Other's Mail," in Journal of Military History, Virginia Military Institute 55 (1991), pp. 185-204. The content of two messages -- the first sent by the British Embassy in Washington to the State Department on 12 July and the second which was the State Department reply on 15 July (FO F7818) -- were intercepted by Japanese intelligence when they were cabled to the U.S. Embassy in Tokyo. In them, Britain was trying to find out whether it could count on United States' support in the form of direct involvement in the currency discussions in Tokyo (despite the fact that Britain had already agreed with Japan to enter into bilateral discussions on this topic), to which the State Department gave a very non-committal reply.

⁸¹ In a meeting with Craigie on July 31, Kato was particularly vehement in his opposition to the continuing circulation of fapi within the British Concession at Tientsin and notably dismissive of Britain's justification for its action -- i.e. its concerns about the negative effect on foreign business in China if forced to use puppet notes --, mentioning that the Yokohama Specie Bank had made profits in North China by using Federal Reserve Bank currency and saying that other foreign banks should therefore use it too. JFMA S.1.1.1..0-55, Vol. 2, p.335.

⁸² The issue of whether Britain would oppose a court order from the Provisional Government for the transfer of the silver within the British Concession was first raised by Kato in a meeting on 28 July. The issue was again discussed on 2 August. JMFA, S.1.1.1..0-55, Vol. 2, p. 294; Vol. 3, pp. 99-102.

⁸³ Because the instruction to hand over the silver came in the form of a court order (not simply a proclamation from the Provisional Government, which Britain did not recognize), Craigie warned that British non-compliance could be construed as a breach of Chinese laws and a violation of the spirit of the Arita-Craigie agreement. Craigie-Halifax, 12 August 1939, DBFP 3-9, p. 451.

⁸⁴ First statement from President of Board of Trade in Parliament, 1 August. Second statement from Department of Overseas Trade, 14 July. Quoted in letter from Craigie to Kato, 3 August 1939. JMFA, S.1.1.1..0-55, Vol. 3, pp. 105-106.

⁸⁵ In conversation with Craigie on 1 August 1939, Kato stated that if Japanese newspaper reports about the British government supplying financial aid to China "are true" (jijitsu to seba), that would constitute a "fundamental breach of the spirit of the 24 July agreement" "shigatsu niyu yokka seimei no seishin o kontei yori kutsugaesu koto to nari..". JMFA, S.1.1.1..0-55, Vol. 3, pp. 47-54.

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- ⁸⁶ JMFA, S.1.1.1..0-55, Vol. 3, pp. 94-96.
- ⁸⁷ Craigie-Kato conversation, 8 August. JMFA, S.1.1.1..0-55, Vol. 3, 167-172.
- ⁸⁸ DBFP 3-9, pp. 355-356.
- ⁸⁹ DBFP, 3-9, p. 451.
- ⁹⁰ For report of Subcommittee for Economic Affairs (submitted 1 August), JMFA S.1.1.1..0-55, Vol. 3, pp. 28-34.
- ⁹¹ See 11 July memorandum on anti-British agitation in Japan, quoted in Chapter Six. FO F7162, F7163.
- ⁹² Craigie-Halifax, 12 August, DBFP, 3-9, p. 451.
- ⁹³ Quotes in this and next paragraph from Sansom memorandum, 2 August 1939. FO F8502.
- ⁹⁴ See previous note.
- ⁹⁵ Meeting took place between the Foreign Secretary, Chancellor of the Exchequer, President of the Board of Trade, with Sansom and two other representatives from the Far Eastern Department. Suggestion made by Sansom. FO, F8528.
- ⁹⁶ Cabinet conclusions 40(39), 2 August 1939. FO, F8393.
- ⁹⁷ See Ronald minute on Cabinet Conclusions For 2 August 1939. FO, F8393.
- ⁹⁸ Halifax-Craigie, 10 August 1939. DBFP 3-9, pp. 439-441.
- ⁹⁹ Halifax-Craigie, 15 August 1939; Halifax-Craigie, 17 August 1939. DBFP 3-9, pp. 463-465.
- ¹⁰⁰ Note from Craigie to Ronald, 9 August 1939. FO, F8489.
- ¹⁰¹ From Craigie-Halifax, 12 August 1939. DBFP, 3-9, p. 451.
- ¹⁰² Craigie-Halifax, DBFP 3-9, p. 451(?)
- ¹⁰³ Quote from 4 August telegram in which Craigie was making similar argument warning Foreign Office against making negotiations contingent upon immediate diminution of anti-British activity in China. DBFP 3-9, p. 398.
- ¹⁰⁴ Halifax first told Craigie to play for time while the Foreign Office decided upon final instructions on 2 August 1939. DBFP 3-39, p. 389.
- ¹⁰⁵ Craigie-Kato conversation, 8 August 1939. JFMA S.1.1.1..0-55, Vol. 3, p. 172.
- ¹⁰⁶ Craigie-Kato conversations, 11 and 12 August 1939. JMFA S.1.1.1..0-55, Vol. 3, pp. 265-269, 294.
- ¹⁰⁷ See in particular Kato's statements in conversations with Craigie on 8 and 12 August. In the former, Kato openly said that although Japan would like through its financial measures to improve its financial

position at the expense of "Free China", the main objective was to ensure that the Kuomintang regime loses credibility. This, he went on to say, was also the driving force behind Japan's criticism of Britain's (virtually non-existent) 'aid' to China. JMFA S.1.1.1..0-55, Vol. 3, p. 172, 294.

¹⁰⁸ Kato-Craigie, 9 August 1939. JMFA S.1.1.1..0-55, Vol. 3, p. 211, 226.

¹⁰⁹ See especially Craigie-Kato meetings of 12 and 14 August. JMFA S.1.1.1..0-55, Vol. 3, p. 294, 322.

¹¹⁰ From Craigie-Kato meeting, 11 August 1939. JMFA S.1.1.1..0-55, Vol. 3, pp. 265-269.

¹¹¹ Craigie-Kato letter, 15 August. JMFA S.1.1.1..0-55, Vol. 3, pp. 333-335.

¹¹² Naimusho Keibokyoku Hoanka, Tokko Nenpyo (Special Monthly Reports of the Security Division of the Home Ministry's Police Bureau) For July and August 1939. Quoted in Nagai, table five, p. 227.

¹¹³ This phrase clarified the instructions from the Foreign Office that were conveyed to Japan on 18 August. Clarification was delivered by British Embassy official to Kato on 20 August. JMFA, S.1.1.1..0-55, Vol. 3, p. 494.

¹¹⁴ For instructions relayed to Craigie from the Foreign Office on 17 August and transmitted to Japanese negotiators the following day, JMFA S.1.1.1..0-55, Vol. 3, pp. 378-381; DBFP 3-9, pp. 463-465.

¹¹⁵ For New Order in East Asia pronouncement, see Inouye Yuichi, "Arita no 'Koiki Keizai Ken' Shiso to Tai-Ei Kosho", in Kokusai Seiji, No. 56 (1930 Nendai no Nihon Gaiko), Nihon Kokusai Seiji Gakkai (ed.), pp. 65, 68.

¹¹⁶ DBFP, 3-8, pp. 403-5.

¹¹⁷ For text of Arita-Craigie accord, Showa 14 Nen.

¹¹⁸ Declaration of General Muto, 14 August 1939. For text, Showa 14 Nen, pp. 153-154. See also JMFA S.1.1.1..0-54, Vol. 6, pp. 103-108.

¹¹⁹ Government response to British Government instructions. Showa 14 Nen, pp. 158-162. Tokyo also accused Britain of wanting unnecessarily to complicate and thereby prolong the talks (hon mondai no kaiketsu o encho katsu fukuzatsuka seshimuru..). Domei press release of Japanese Government communiqué, 21 August 1939. JMFA S.1.1.1..0-55, Vol. 3, pp. 525-528.

¹²⁰ Apart from being mentioned in press release mentioned in last note, there was hardly any reference to economic acts of sabotage within the British Concession in the negotiating record during the talks. Previous references were in North China Army documents in June 1939.

¹²¹ See Usui Katsumi in Taiheiyo Senso E no Michi, Taiheiyo Senso Genin no Kenkyubu (ed.), Vol. 5, Nitchu Senso, Asahi Shinbun, 1962-63, p. 175. *Shimbunsho*

Chapter Ten: Aftermath (August 1939-June 1940)

¹ In particular, the new War Minister was Hata Shunroku, who had previously served as a military aide-de-camp to the Emperor. For discussion of formation of new Cabinet, Harada Kumao, Saionji Ko to Seikyoku (Prince Saionji and the Political Situation), 9 Vols., Iwanami Shoten, Tokyo, 1950-1951 and 1956, Vol. 8, pp. 60-64.

² For account of meeting, which took place between two more junior British and U.S. Embassy officials on 18 August, see Dooman-Hull, 25 August 1939, in Foreign Relations of the United States (hereafter cited as FRUS), 1939, Vol. 4, publisher, pp. 238-239.

³ Dooman-Hull, 25 August 1939. FRUS, 1939, Vol. 4, pp. 237-238.

⁴ Craigie-Halifax, 5 August 1939. See Sir Llewellyn Woodward (ed) Documents on British Foreign Policy, Series 3, Vol. 9 (hereafter cited as DBFP 3-9), Her Majesty's Stationery Office, 1955, pp. 390-400.

⁵ See in particular Tashiro-Abe, tel. no. 726, 18 September 1939. Japanese Ministry of Foreign Affairs (hereafter cited as JMFA) S.1.1.1...0-54, pp. 292-4.

⁶ See particularly Tashiro-Abe, tel. no. 717, 18 September 1939. JMFA S.1.1.1...0-54, p. 290.

⁷ This memorandum was received by the Foreign Ministry East Asia Bureau later in the year. For discussion of contents, see 11 December memorandum of the East Asia Bureau 1st Division. JMFA S.1.1.1...0-54, Vol. 7, pp. 212-22.

⁸ See Tashiro-Abe, Tel. no. 717, 18 September 1939. JMFA S.1.1.1...0-54, Vol. 6, pp. 290-91.

⁹ Definition of the Assistant Supreme Court Judge in Shanghai, made on 17 August 1939 in reply to an application of a writ for Habeas Corpus by the plaintiffs' solicitors. FO F9840.

¹⁰ Text from Volume Nine of Hailsham's edition of Halsbury's Laws of England. Quoted by Assistant Supreme Court Judge in Shanghai, 17 August 1939. FO F9840.

¹¹ Affidavit from Sir John Brennan, quoted by Assistant Supreme Court Judge, Shanghai on 27 August 1939. FO F9316.

¹² Article 21, Treaty of Tientsin, 1858. Hertslet, Treaties Between Great Britain and China, Vol. 1, London, 1896, p. 23.

¹³ Text of Chinese government opinion on the matter was conveyed to the Foreign Office on 12 August 1939 by Chinese Ambassador to London. FO F8856.

¹⁴ These arguments put forward by Foreign Secretary Halifax to Member of Parliament Noel-Baker in response to question concerning the handing over of the four men. FO F8856, F9882.

¹⁵ See Ambassador Clark Kerr-Halifax, 17 August 1939. FO F8947.

¹⁶ Judgement of the King's Bench, High Court, London, 27 August 1939. FO F9316.

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- ¹⁷ Agents for the lawyers seeking to apply for habeas corpus writ were definitely refused access to prisoners on 16 August 1939. FO F9439.
- ¹⁸ Statement of 30 August 1939. FO F9743.
- ¹⁹ JMFA S.1.1.1...0-54, Vol. 6, pp. 370-75.
- ²⁰ Commander-in-Chief Sugiyama Gen-Military Affairs Division (Gunmuka) of the General Staff, 3 September 1939. JMFA S.1.1.1...0-54, Vol. 6, pp. 363-75.
- ²¹ Statement of solicitors Elwell and Burford Hole, Shanghai, 30 August 1939. JMFA S.1.1.1...0-54, Vol. 6, p. 363.
- ²² Request dated 6 September 1939. FO F9850.
- ²³ JMFA S.1.1.1...0-54, Vol. 6, pp. 370-75.
- ²⁴ Scott minute, 14 September 1939. FO F10148
- ²⁵ Denning minute, 25 September 1939. FO F10260.
- ²⁶ This interchange took place in meeting between Shigemitsu and Halifax, also attended by Howe, on 24 October 1939. JMFA, S.1.1.1...0-54, Vol. 6, pp. 338-342.
- ²⁷ For text of agreement, drawn up between 29 February and 2 March 1940, JMFA S.1.1.1...0-54, Vol. 8, pp. 189-192.
- ²⁸ JMFA, S.1.1.1...0-54, Vol 8, p. 189.
- ²⁹ Figures from a memorandum by Craigie to Japanese Foreign Ministry, 16 March 1940. JMFA, S.1.1.1...0-54, Vol. 8, p. 245.
- ³⁰ According to a telegram from Shigemitsu to Arita dated 27 April 1940, Britain wanted to convert the 100,000 pounds in silver into sterling for purchase of wheat and flour in the sterling area, with the possible exception of drainage machinery, which would be bought with dollars in the United States. JMFA, S.1.1.1...0-54, Vol. 9, pp. 219-220.
- ³¹ According to 8 January 1940 edition of the Japan Advertiser, China's Ambassador to Britain (Quo Tai-chi) told Foreign Office official Cadogan that China "adamantly refuses" to consent to idea of removal of any silver from Chinese jurisdiction. JMFA, S.1.1.1...0-54, Vol. 8, p. 22.
- ³² See, in particular, 9 November memorandum from the East Asia Bureau, unsigned Foreign Ministry position paper dated 28 November and a letter from Minister Kato to Foreign Minister Nomura in the middle of December. JMFA S.1.1.1...0-54, Vol. 7, pp. 11-15, 80-82 and 248-249.
- ³³ For entire argument, see Foreign Ministry paper, 28 November 1939, in particular the following: "Kono shu mondai ni tsuki Nichi-Ei kyodo-shori o mitomuru o fuka toshi Shina mondai shoriyo akarei o tsukuru mono nari to no ron mo ari ubeki mo.. Kono an wa mushiro Eikoku o shite Sho Kai no konomazaru tokoro o aete seshime.. Eikokugawa o Sho Kai yori hiki-hanashi.. ippo o susumuru koto to naru.. (Shina) jihen shori no saiko mokuhyo ni.. mitomeraruru shidai nari" JMFA S.1.1.1...0-54, Vol. 7, pp. 80-82.

³⁴ See in particular Craigie-Tani meeting of 10 November 1939. See also summary of Yomiuri article, 25 November 1939. JMFA, S.1.1.1...0-54, Vol. 7, pp. 16-24, 74-75.

³⁵ See Shigemitsu-Nomura, 22 November 1939. JMFA S.1.1.1...0-54, Vol. 7, p. 64.

³⁶ See Yomiuri article of 25 November 1939. See also Shigemitsu-Nomura, 29 November 1939. JMFA, S.1.1.1...0-54, Vol. 7, pp. 74-75, 102, 109-113.

³⁷ Shigemitsu-Nomura, 3 December 1939. According to Shigemitsu, the East Asia Bureau Division Chief was saying that Craigie was trying to sabotage the talks. JMFA, S.1.1.1...0-54, Vol. 7, p. 128.

³⁸ JMFA, S.1.1.1...0-54, Vol. 7, pp.74-75, 80-82, 109-113, 128, 154, 161.

³⁹ First raid occurred on 28 September 1939; second raid in the week ending 27 January 1940. For September raid, see police report no. 643 from Police Chief Tashima (Tientsin) dated 6 October 1939, JMFA S.1.1.1...0-54, Vol. 6, pp. 305-313. For 1940 raid, JMFA S.1.1.1...0-54, Vol. 8, pp. 151-2.

⁴⁰ For record of this meeting, which took place between Craigie and East Asia Bureau members Aoki and Tanaka, see JMFA S.1.1.1...0-54, Vol. 7, pp. 294-305.

⁴¹ In the January raid, Japanese claims about the "unearthing of a large terrorist organization" with four members supposedly using the British Concession as a "basis for terrorist operations" was undercut by the admission that two of these suspects were in fact "resident in the Japanese-controlled Second Special Area" at Tientsin. These suspects escaped. JMFA S.1.1.1...0-54, Vol. 8, pp. 151-2.

⁴² Craigie-Nomura, 2 November 1939. JMFA S.1.1.1...0-54, Vol. 7, p. 52.

⁴³ North China Army General Staff, 20 January 1940. JMFA, S.1.1.1...0-54, Vol. 8, pp. 100-108.

⁴⁴ JMFA, S.1.1.1...0-54, Vol. 9, pp. 6-10, 110-115, 140-143.

⁴⁵ For 20 June statement, JMFA, S.1.1.1...0-54, Vol. 10, pp. 382-384.

⁴⁶ Consul-General Muto-Arita, 31 March 1940. JMFA S.1.1.1...0-54, Vol. 8, p. 292.

⁴⁷ See, for instance, 17 August 1939 article in North China Weekly Review: "Who is there amongst the Chinese and their Japanese leaders to make the fine distinctions between nationalities which are necessary if the interests of the British... are to be destroyed and those of other white races meticulously protected?" JMFA S.1.1.1...0-54, Vol. 6, p. 444.

⁴⁸ This point is emphasized by Uchiyama Masataka in his study, "Tenshin Eikoku Sokai Fusa no Haikyo," in Gendai Nihon Gaikoshi Ron, Kumamoto Daigaku Hogaku Kenkyukai (33), pp. 235, 245-246.

Conclusion

¹ Figures from Fujiwara Akira, Taiheiyo Senso Shi Ron, Aoki Shoten, Tokyo, 1982, pp. 44-45, and Kuwano Hiroshi, Senji Tsuka Kosaku Shi Ron, Hosei Daigaku Shuppan Kyoku, 1965, pp. 8-9.

² Herbert P. Bix, "Emperor-System Fascism: A Study of the Shift Process in Japanese Politics," in Shakai Rodo Kenkyu, Vol. 27, No. 2, 1981, p. 112.

³ From 1947 review of Edwin Reischauer's Japan Past and Present. Quoted in John W. Dower's Introduction to Dower (ed), Origins of the Modern Japanese State: Selected Writings of E.H. Norman, Pantheon Books, 1975, p. 22.

⁴ See in particular Maruyama Masao (ed. Ivan Morris), Thought and Behaviour in Modern Japanese Politics, Oxford University Press, 1969, pp. 57-65.

⁵ For instance, Donald C. Watt, "Chamberlain's ambassadors," in (ed) Michael Dockrill and Brian McKercher, Diplomacy and World Power: Studies in British Foreign Policy, 1890-1950, Cambridge University Press, 1996, pp. 136-170. See also Antony Best, "Sir Robert Craigie as Ambassador to Japan, 1937-1941," in Ian Nish (ed), Britain and Japan: Biographical Portraits, Japan Library, 1994, pp. 238-252.

⁶ See particularly Usui Katsumi in Taiheiyo Senso E no Michi, *Asahi* ~~Yomiuri~~ Shimbunsha, Tokyo, 1961-1962.

