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GERMANY AND THE SINO-JAPANESE CONFLICT

1937 - 1942

by

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B.A. Montana State University, 1960

Presented in partial fulfillment of the requirements for degree of

Master of Arts

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1961

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PREFACE

As Mr. F. F. Liu wrote, between World War I and World War II Germany's influence in China was great; in fact, so great that much of China's equipment was German made; many of China's officers German trained; and China's whole military organization and development was German inspired.

The leaders in Germany--the Reichswehr, the Economics Ministry and the Foreign Office--saw that China could help Germany in two ways: as a source of raw materials and as a potential power against Bolshevism. Hitler thought differently; he wanted to encircle Russia, and saw in Japan the best force in the Far East to accomplish this goal.

The Sino-Japanese war broke out and proved to be a stumbling block in the way of Hitler's ambitions for world power. Soon after the conflict began in 1937, Hitler was persuaded by Japan to withdraw his German military advisers from China and to break off trade relations in exchange for promises of a better economic position in a Japanese-dominated China. But once Germany had complied with the Japanese demands, the Japanese attitude cooled. German backing of Japan did not accomplish Germany's aims.

During the period between 1940 and 1941 the Sino-Japanese conflict caused an additional problem for Germany: Japan would not or could not attack Great Britain in the Far East as Germany advocated unless the war with China was stopped.

The Chinese marshal, Chiang Kai-shek, repeatedly refused Japanese attempts to make peace. The Marshal wanted the Japanese forces out of China. The long-delayed death blow to Sino-German relations finally came in July 1, 1941, when Hitler recognized the regime of Wang Ching-wei.

CHAPTER I
BUILDING SINO-GERMAN RELATIONS

After the Treaty of Versailles (1919), the Germans again became interested in the Far East from which they could draw raw materials needed by their industry. Before World War I the Germans had a sphere of influence in a part of the Shantung Province.

Because Japan occupied the Shantung peninsula in 1915 and was still in that province in 1919, the Chinese government refused to sign the Treaty of Versailles even though it had entered the war on the side of the Allies. Although Germany had signed this treaty, technically a state of war still existed between China and Germany.

In May 1921 a separate peace treaty, further supplemented in 1924, eliminated the awkward situation between China and Germany.¹ These agreements pertained to the private property seized during World War I by the Chinese government. The property was returned to its former German owners with the exception of some private claims against the Chinese government which were offset by financial claims of China against

¹Kurt Bloch, German Interests and Policies in the Far East (New York: Institute of Pacific Relations, 1939), 6.

Germany.² It was also agreed that German residents in China were subject to Chinese jurisdiction.

In the 1920's, many German citizens took up residence in China, and by 1938, as Kurt Bloch estimated, there were about 4,500 Germans in that country. Foreign firms, particularly American, often hired German nationals to work in China. Germans were glad to escape the Weimar Republic and the paper mark salaries. German communities were soon established in China, complete with schools, churches and newspapers, mostly financed and subsidized by secret funds set up in the Weimar government.³

In Germany, Chinese popularity increased and soon relations between these countries were most cordial. China, as the home of Confucianism, appealed to many Germans.⁴ Lao-Tse, a philosopher whose teachings emerged in numerous editions in post-war Germany, was widely read. Novels written about China added to the popularity, and Chinese art was highly appreciated.⁵ Then, of course, the Chinese refusal to sign the "Diktat", lent them an even greater appeal. This period also found a great many Chinese students and other good will

²Ibid.

³Ibid., 10.

⁴The existentialist thought which flourished after the Treaty of Versailles has many points similar to the Confucianistic thought: both thoughts pertain to Man as a being in the world of realism, and thus even on philosophical grounds the Germans and Chinese were close.

⁵Herbert von Dirksen, Moscow, Tokyo, London: Twenty Years of German Foreign Policy (Norman, Oklahoma: University of Oklahoma Press), 140.

missions flocking to Germany, and, in return for the trade the Chinese were giving the Germans, they received German investments and German military advisers to build their industry and army.

China, with her pro-German sympathies, badly needed foreign capital. She also needed consolidation of her national government. Added to these difficulties, China's financial organization did not appear to offer many possibilities to foreign businessmen. The Weimar Republic put special credits at the disposal of German merchants engaged in the China trade in order to alleviate these difficulties.⁶ Organizations such as the China Studien Gesellschaft were created to advise on the Sino-German trade.

Shortly after the agreement was signed between Germany and China in 1924, actual trade between the two countries began. Captain Burton Klein, a former German army officer and later a businessman, was sent to China for raw materials to be used in Weimar industry. Klein promised to secure from China considerable quantities of the metals needed in Germany, including tungsten and wolfram.⁷ In exchange Germany was to supply China with weapons and military supplies needed to rebuild her army. By the 1930's Klein and other businessmen were doing a sizeable business in China.

⁶Bloch, 17.

⁷von Dirksen, 171.

German businessmen were aided in their trade by the German officers who served on Chiang Kai-shek's staff as advisers. These German officers had replaced the Russian advisers fired by Marshal Chiang in 1927 because of communist activity. Chiang's campaigns against the Bolsheviks were very popular in Germany at the time and the German army had gained great military prestige in China.

One of the first advisers to Chiang was Col. Max Bauer who arrived in November 1927⁸ but returned to Germany in the spring of 1928. The Weimar Republic did not favor his scheming for a military advisory group in China, and Col. Bauer was forced to sign a special statement to the effect that his visit was of a strictly private nature, denying rumors that the Reichswehr had any activities in China.⁹ Soon after this statement was signed, Bauer and some other retired military officers went back to China and signed contracts with Chiang Kai-shek.

⁸Bloch, 17, explained that it seemed clear to him on the basis of reliable reports that certain German industrial groups suggested to Chiang Kai-shek the calling on Col. Bauer (ex-Chief of Operations under Gen. Ludendorff) to assist in building up of China's National Army.

⁹Bloch, 13. Also, Mr. Harold J. Gordon, in his book, The Reichswehr and the German Republic, 1919-1926 (Princeton, New Jersey: Princeton University Press, 1957), 42, writes that Col. Bauer and a certain Maj. Pabst were the political propagandists and recruiters among the soldiers and veterans of the Kapp Putsch, 1920. It could very well be that this is one of the major reasons why the Weimar government was against the establishment of a military mission in China. Mr. John W. Wheeler-Bennett, in his book, The Nemesis of Power (New York: St. Martin's Press, Inc., 1954), 81, writes that Col. Bauer during his exile in Europe, which resulted from his activity in the Kapp-Putsch, wrote an account of the Putsch, Der 13 März 1920 (Berlin, n/d).

In China, Chiang Kai-shek was under attack from his political enemy Wang Ching-wei, who protested that German advisers were assisting Chiang in the civil wars. The Weimar Republic made the following declaration:

- 1) It is untrue that the German government has sent military officers to China. The German government did not recommend any. They have been selected in Germany by Chiang Kai-shek or by his deputies in Germany.
- 2) The German government, as a matter of principle, does not favor Germans participating in military actions abroad.
- 3) Germans going abroad to face the hazards of warfare are doing so at their own risk¹⁰

This statement seemed to satisfy the enemies of the Weimar Republic who apparently accepted the existence of a military mission in China assisting Chiang Kai-shek.

When Bauer arrived in Shanghai in 1927, he immediately won the favor of Chinese military authorities as a one-time subordinate of Ludendorff, and he brought with him the advantage of experience in Soviet Russia where he had served as adviser to the Red Army after World War I. Bauer was very familiar with the strengths and weaknesses of the Soviet military system, a knowledge of great value in his work in China. After he had established himself and the other retired German officers (he had brought with him an unofficial Reichswehr group numbering

¹⁰Bloch, 14.

some forty-six men), he arranged for the procuring of munitions and military equipment.¹¹ Col. Bauer played an important part in the institution of a military intelligence system, a publicity program for the Chinese National Army and a scheme of organized military training.¹² He created the Whampoa military academy near Canton. In 1929 he died of smallpox contracted from germs placed on a hot towel by Chinese enemies.¹³

One thing should be understood about the military advisers under Bauer: they did not go to China to build an army against Japan but to help Nanking fight the Communist forces in China and it was not until after 1933 that the German government brought the military mission in China under its influence. Even then the advisers remained in China under private contracts.¹⁴

¹¹Supra., 4.

¹²F. F. Liu, A Military History of Modern China, 1924-1949 (Princeton, New Jersey: Princeton University Press, 1956), 62. Bauer, one-time Chief of Operations under Field Marshal Erick von Ludendorff, was regarded as an expert in artillery, engineering and chemistry. He had received his doctorate from the University of Berlin and was the author of several books including the much respected Der Grosse Krieg in Feld und Heimat. His experience included service with Ludendorff, the patronage of Kaiser Wilhelm II and important staff posts. Politically, he was an arch-royalist and had been exiled for his part in the Kapp Putsch but was later pardoned. In an advisory capacity he had served in the governments of Austria, Soviet Russia, Spain and Argentina on matters ranging from military aviation to combatting locust plagues.

¹³Claude A. Buss, War and Diplomacy in Eastern Asia (New York: The MacMillan Co., 1941), 402.

¹⁴Lawrence K. Rosinger, "Far Eastern Policy under Hitler", Pacific Affairs XI (December 1938), 423.

Colonel Bauer's successor, Lt. Col. Kriebel, received the blessings of German industry on his mission in China but he soon resigned and was replaced by General Wetzell.¹⁵ Upon his arrival in China, Wetzell advised Chiang Kai-shek on strategy for two of his campaigns, but this advice was not closely followed. At this stage, German advisers did not have much influence, for Chiang believed foreigners to be incapable of taking into account the habits and customs of the people and the psychology of the Chinese soldier; besides they were not fully acquainted with the terrain. In general, Chiang was somewhat skeptical of their grasp of the particular situation.¹⁶

¹⁵F. F. Liu, 74-75. Lt. Col. Kriebel, who was one of the first Nazis to come to China, according to Kurt Bloch, p. 15, had been a member of the German Armistice Commission. He had taken part in Hitler's Beerhall Putsch in 1928, and in 1929 he became Chiang Kai-shek's adviser but was replaced in August of 1930. He then held an important diplomatic post in Shanghai until 1941 when he was replaced to become Chief of Personnel in the German Foreign Office.

General George Wetzell had been a member of the Grosse-Generalstab, the supreme headquarters. He originated the plan by which the Italian Army was defeated in 1917 and after World War I he occupied a key post as Chief of the Troops Office (Chef des Truppensamtes). At that time his reputation outshone von Blumberg and von Fritsch. He was the author of Der Bundeskrieg which was widely read by military experts. He had little interest in politics but was a man of action.

¹⁶F. F. Liu, 76.

While Wetzell was in China as an adviser to Chiang Kai-shek, Hitler came to power in Germany and Japan moved once more in the Far East. The Japanese army captured Manchuria and, when the League of Nations condemned her actions, Japan left that body. In October 1933, Germany walked out of the disarmament conferences and she and Japan were left in diplomatic isolation. They felt this isolation particularly when Russia, their greatest enemy, allied herself with France and joined the League.

After a few years of service as adviser to Chiang Kai-shek, Wetzell's too strict Prussian attitude caused difficulties. In May 1933, General Wetzell wrote to his former superior, General Hans von Seeckt, one-time Chief of the Reichswehr (1919-1926). He said in part:

The Chinese government has extended its invitation to prominent personages, evidently with the intention of promoting understanding and seeking world interest in China through such persons. Concerning the invitation extended to Your Excellency, there was also the expectation of learning about the valuable German systems of organization and above all, military know-how and imaginatives.¹⁷

Wetzell continued in the same letter, saying that "The Marshal has often asked me about Your Excellency's work in the building of the Reichswehr. . . ."¹⁸

¹⁷Friedrich Rabenau, Seeckt, Aus Seinem Leben, 1918-36 (Leipzig: v. Hasse & Koehler Verlag, 1941), 678.

¹⁸ibid.

On his first visit to China, von Seeckt was asked by Chiang Kai-shek to make a report of the situation. He visited military schools and local governmental organizations, and on his return to Germany he left a lengthy report on what he felt were the weaknesses and the methods necessary to correct these deficiencies. Von Seeckt stressed the point that for China the right course was not the speedy creation of a large army but rather the creation of a few well-trained and well-armed troops. China did not have too few troops under arms, but far too many, under all sorts of generals often working at cross purposes.¹⁹

Von Seeckt continued in his report that the present management of command authority and the position of the officer corps in the Chinese army were in need of improvement. Government authority could only be built upon an army under a single command. The prerequisite for such a command was that the officers be employed according to uniform principles not under the control of the individual division commanders and other generals. This program should be applied throughout the country with the requisite ruthlessness toward the contrary interests of individuals. In no circumstances would it do for the higher authorities to work independently of one another as had been the case in the recent engagements with the Japanese.²⁰

¹⁹U.S. Department of State, Documents on German Foreign Policy, 1918-1945, Series C (1933-1935), The Third Reich: First Phase, Vol. 1, Trautmann to Foreign Minister, Aug. 26, 1933, 774-5.

²⁰Ibid.

It is interesting to note the manner in which von Seeckt proposed that the Chinese National Army be reorganized. In order to deal with the deficiencies effectively, von Seeckt proposed the creation of a so-called instruction brigade. This brigade would not be so much for training the troops as for giving officers in the middle and higher positions supplementary training to make up for the deficiencies in their past training and to equalize their capabilities with those of the younger officers now being trained in Nanking under the guidance of German advisers. In this way one could also best cope with the problem that the younger officers trained in Nanking would not operate effectively with the troops because their superiors did not have the same training. General von Seeckt wanted a training brigade to consist of two infantry regiments, one artillery battalion, one engineer, one tank and one signal company, and one squadron of cavalry. Von Seeckt further proposed assigning to this brigade an advisory staff of older, war-tried officers and, of course, a number of young men for individual training. It was necessary for these troops to have adequate arms available.²¹

As for the Chinese defense industry, von Seeckt wrote that the material so far delivered from the arsenals was in a large part inadequate; therefore, for the time being the Chinese would have to rely on importing arms from abroad, although it was advisable gradually to increase the armament factories

²¹Ibid.

within China. The establishment of this type of factory could best be managed on the basis of suggestions from the European armament firms. It was not only expensive to import arms and ammunition but also dangerous in some circumstances.²²

This first visit to China with its resultant report was very pleasing to Chiang Kai-shek and he paid von Seeckt handsomely for his efforts.²³ Even though the trip was supposedly a private affair, von Seeckt was accompanied by a Major Preu and met by a Herr Klein in Canton where these two signed a contract for an arms factory.²⁴ Shortly after von Seeckt returned to Germany, Wetzell resigned from his post as adviser and Dr. Chu Chia-hui, then a cabinet member, dispatched a telegram on October 2, 1933, to von Seeckt, writing: "General Wetzell has contemplated resignation. He feels that he is no longer able to work for the Marshal Chiang. Would prefer a man of your background."²⁵

General von Seeckt reported to the German Foreign Office that Chiang Kai-shek had sent him an invitation to become the military adviser. The German foreign minister replied that such activity was politically incompatible with the present German policy and asked the general to decline the Chinese marshal's proposal.²⁶ This viewpoint on the part of the German Foreign

²² Ibid.

²³ F. F. Liu, 92.

²⁴ See Chapter III.

²⁵ F. F. Liu, 97.

²⁶ Völkners memorandum, Oct. 19, 1933, D.G.F.P., C, 11, 23.

Ministry can be partly explained in that the German government did not want to become too openly involved with China. But von Seeckt's first trip had wide newspaper coverage,²⁷ although the ministry felt von Seeckt was too important a person for such a job.

In early November, the Chinese ambassador put pressure on the German Foreign Ministry. In a conversation with the German foreign minister, the Chinese charge d'affaires mentioned that Chiang Kai-shek already attached great importance to General von Seeckt's return to China. The Chinese diplomat explained that, everything considered, General Wetzell was somewhat too Prussian for Chinese conditions and that he was no longer in a good position to fulfill his mission because he had made many enemies in China. The Chinese diplomat--to show what damage the Germans might suffer if Herr von Seeckt were to decline the "honorable call"--indicated that German military advisers currently had great influence on the supplying of arms and war materials to the Chinese National Army, but that the French were seeking this very profitable trade. Perhaps it was more to the point that General von Seeckt had pleased the Marshal just as Col. Bauer had done in 1927. The Chinese charge d'affaires asked that the German Foreign Office use its influence with von Seeckt to get him at least to make another visit to China.²⁸

²⁷Rabenau, p. 679.

²⁸Memo by Bülow, Nov. 8, 1933, D.G.F.P., C, II, 85.

Finally, General von Seeckt was given permission to go to China and become Chiang Kai-shek's adviser. He planned to take with him two former German generals, von Falkenhausen and Faupel.²⁹ Since the old general, von Seeckt, was in bad health, he planned to return to Germany as soon as possible. He would leave von Falkenhausen and Faupel behind in China and continue to offer advice to the Chinese army through these two generals.³⁰

The task of reorganizing the Chinese army and the Chinese defense industry proved to be too much for the general. During the heat of the Chinese summer he spent a few months in North China, escorted by a Chinese gunboat. The job took several months and von Seeckt left China for the last time in 1935.³¹ General von Falkenhausen became head of the German military mission and the close friend of Chiang Kai-shek.

²⁹ Ibid.

³⁰ Ibid.

³¹ The New York Times of May 20, 1938, states that General von Falkenhausen brought to China wide experience in almost every field of military activity which had been gained on the eastern and western fronts in World War I. His knowledge of oriental ways resulted from two years before World War I spent as German Military Attache in Tokyo preceded by the School of Oriental Studies in Berlin and followed by duty in 1917-18 as Chief of Staff of the Turkish Armies and later as military plenipotentiary at the German Embassy in Istanbul. He retired from the Reichswehr in 1930 with the rank of full general.

In 1935 General von Falkenhausen became the chief adviser to Chiang Kai-shek which position he held until 1938. He was recalled to active duty in 1939 upon the outbreak of World War II and served as the military governor in Belgium until 1944.

³⁴ Rabenau, 710.

Events in Berlin took a different turn in 1934. Major General Oshima was appointed military attaché in Berlin. Oshima was instructed by the Japanese army to appraise the stability of the Nazi regime, the potential abilities of the German army and the probable attitude of the German public if Germany should start a war against the Soviet Union.³² Oshima and von Ribbentrop in the meantime had become close friends, and through this friendship the Japanese army contrived to maintain its relationship with Germany. The Japanese in their diplomatic isolation had found a potential partner against their enemy, Russia.

The Japanese army was, like the German, preoccupied with the coming of war against the Soviet Union and Japanese attention was directed toward Germany in order to negotiate a closer alliance to reinforce Japan's military strength in the Far East.³³ In reality, the Japanese army wanted the support of

³²International Military Tribunal for the Far East, Supreme Commander of the Allied Forces, Judgement and Opinions (Tokyo: War Ministry, Tokyo, Japan), 48,772-3.

³³Ibid., 49,738.

In my opinion it is doubtful, however, that at the time (1934-35) the German army had changed its viewpoint and policies toward Russia. According to Lawrence K. Rosinger, in his article "Far Eastern Policy under Hitler", the German army's policy since 1918 had been to avoid fighting a war on two fronts. Considering France Germany's enemy, Reichswehr leaders carried forward energetically the official Weimar policy of friendship with the Soviet Union. When Hitler came to power, the Reichswehr did not change its fundamental position. Its former chief, General von Seeckt, argued that Germany must never join Japan and other powers in encircling Russia; on the contrary, since National Socialism suppressed Communism so vigorously at home, it need not fear internal repercussions from a Soviet alliance.

Germany against the Soviet Union and the Chinese Republic without alienating Japanese public opinion and with the minimum commitment on Japan's part.³⁴

Hitler saw his chance to encircle the Soviet Union and saw in the Japanese proposal a real change in world politics. The Führer decided that "the discussions with the Japanese should be handled by Joachim von Ribbentrop under his, the Führer's personal supervision".³⁵ When von Neurath, the German foreign minister, mentioned the Führer's decision to Mushakoji, the Japanese ambassador, it was decided that under these circumstances General Oshima would be designated to take care of the negotiations with Herr von Ribbentrop. The German foreign minister and the Japanese ambassador agreed not to interfere unnecessarily. As a matter of fact, the proposed discussions did not seem to be of great importance to the German and Japanese Foreign Offices. They, von Neurath and Mushakoji, thought that these talks could only result in a formal political cooperation and a pooling of information. But the German Reichschancellor, despite von Neurath's advice to the contrary, was determined to come to terms with the "Aryans of the East." It was even possible that, in order to gain Japan's friendship and cooperation,

³⁴Ibid.

³⁵Dr. Paul Schwarz, This Man Ribbentrop: His Life and Times (New York: Julian Messner, Inc., 1943), 173.

therefore isolating or encircling the Soviet Union, he could make an alliance with her.³⁶ All during the year 1936 von Ribbentrop and Oshima negotiated in an attempt to come to terms with one another.³⁷

Then, in 1936, to the surprise of the German Foreign Office, the so-called Anti-Comintern Pact was concluded between Japan and Germany. It was concluded by von Ribbentrop on Hitler's orders and von Weizsäcker wrote later, in his memoirs, that the German Foreign Office was not brought into the negotiations.³⁸ It consisted of a publicized as well as a secret agreement. The publicized part of the Anti-Comintern Pact stated that the contracting parties agreed to inform each other of the activities of the Communists International, to confer on necessary measures for defense and to take such measures in close cooperation and jointly invite third nations either to take defensive measures in conformity with the Anti-Comintern Pact or to participate within the Pact.³⁹

³⁶ ibid.

³⁷ According to the U.S. War Department, Documents on Nazi Conspiracy and Aggression, II, (Washington, D.C.: U.S. Government Bureau of Printing, 1947), p. 480, when von Ribbentrop signed the Anti-Comintern Pact for Germany in Berlin in 1936, he was not, in November 1936, the German foreign minister but simply Hitler's special ambassador plenipotentiary while ambassador to London.

³⁸ Ernst von Weizsäcker, Memoirs, tr. by John Andrews (Chicago: Henry Regnery Company, 1951), 116. Von Weizsäcker tries to imply that the Foreign Office was not guilty or did not know about the conclusion of the Pact but Dr. Schwarz claims that von Neurath knew of these negotiations.

³⁹ Int. Mil. Trib. for the Far East, 49,339.

The secret agreement to the Anti-Comintern Pact provides that the two governments, recognizing that the Soviet Union is working towards the realization of the goal of the Comintern, and wanting to use its army for that cause, perceive that this fact threatens the existence of the parties and world peace in general and agree that should one of the parties be unprovokedly attacked or threatened by the Soviet Union, the other party agrees not to carry out any measures which would relieve the position of the Soviet Union, but will immediately consult on measures to preserve their common interests. It further provides that the parties will not during the period of the agreement and without mutual consent conclude political treaties with the Soviet Union which do not conform to the spirit of the agreement.⁴⁰

In Germany, as in Japan, news of the conclusion of the Anti-Comintern Pact was broken to the public gradually and cautiously over the course of the week preceeding the signature. In the Völkische Beobachter an apologetic headline "Ein Akt Der Notwehr" was over the leading article of November 26, 1936.⁴¹

⁴⁰ Frank William Iklès, German-Japanese Relations (1936-40) (New York: Bookman Associates, 1956), 38.

⁴¹ A. J. Toynbee (ed.), Survey of International Affairs, 1936 (London: Oxford University Press, 1941), 386.

Footnote, 384-5: "there was however, one point of serious ideological disagreement between the Japanese and the Nazis and that was the Nazi dogma of the superiority of a hypothetical "Aryan" race. By ironical freak of fortune, three of the nations to whom the Third Reich was drawn by a community of political interests--namely the Japanese, the Magyars, and the Finns--were speakers of "non-Aryan" languages; and the Nazi authorities in Berlin did their best to get over this stumbling block by dubbing these friendly nations "honorary Aryans" as a patent of racial ennoblement. All the same, a speech about the destiny of the White Race to bear the rule over the rest, delivered by Hitler at Munich on January 26, 1936, drew a protest from the Foreign Office spokesman in Tokyo."

This caution was probably necessary because many Germans feared that trade relations with China might be harmed.

Chiang Kai-shek had made great progress in China against the Communist forces which were forced to withdraw some six hundred miles and to re-establish themselves in the western province of Shansi.⁴² This campaign had been costly in resources and men, but the Chinese soldiers were eager for any action against Japan. On the other hand, Chiang Kai-shek, who had received his training in Japan, seemed to do nothing against the Japanese invaders.

In December 1936 the Chinese soldiers finally attempted to make their discontent known to Chiang Kai-shek. The Chinese marshal was kidnapped from his hotel room. General Chang Hsueh-liang had kidnapped Chiang and he put forth the demands of his troops that Chiang reorganize the Nanking government and permit all parties to share the joint responsibility, that all kinds of civil wars be stopped, that immediately the patriotic leaders who were arrested in Shanghai be released, that the patriotic movement of the people be emancipated, that the political freedom of the people be safeguarded, that the will of Dr. Sun Yat-sen be carried out, and that a National Salvation Conference be called immediately.⁴³ Chiang Kai-shek was released unharmed in a few days but the army remained in a mutinous mood.

⁴²Arthur Berriedale Keith, The Causes of the War (London: Thomas Nelson and Sons, Ltd., 1940), 312.

⁴³Lawrence K. Rosinger, China's Wartime Policies (Princeton, New Jersey: Princeton University Press, 1944), 21.

Most of Chiang's troops had been ejected from their homeland in the north and were in the fullest sympathy with the Sian kidnapers and with the Chinese Communist attitude against Japan. The Chinese soldiers objected strongly to being employed against the so-called "Reds", who were, of course, in the vanguard of the anti-Japanese movement. In addition, there were bad feelings brought on by shortages in pay and rumors that the commander-in-chief intended to punish their lack of anti-Communist zeal by transferring them to one of the southern provinces.⁴⁴

In accordance with the policy of a united front against the Japanese army in Manchuria, the Chinese Communists had associated themselves with the central government and with a non-party organization called the "All China Salvation Association" which consisted of a number of local anti-Japanese unions that had sprung up in different parts of China.⁴⁵

Early in 1937 the Japanese Kwantung Army, stationed in Manchuria, was determined to create a series of autonomous buffer states in order to protect Japan's interests in the Far East. These states would be created in Inner Mongolia and in North China as protection for the rear of the Kwantung Army in a war against the Soviet Union. This buffer zone would be an additional excuse for the Japanese officers to

⁴⁴Int. Mil. Trib. for the Far East, 48,626-7.

⁴⁵Toynebee, p. 885.

claim that they were fighting against the Communist cause and thus receive aid from Germany. Also, the Japanese army was convinced that for Japan's own good China must be compelled to cooperate economically and politically with Japan; that is, in Japanese eyes, the Communist-led, anti-Japanese movements in China with their economic boycotts, agitation and violence must come to an end.⁴⁶ China, or rather Chiang Kai-shek, must accept Japanese help in the fight against Communism. To such demands as these, really amounting to Japanese domination of China, almost all Chinese, no matter how much they disagreed with each other, were united in solid opposition.

Japanese plans to eliminate the Communist movement in China and to create buffer states date from the early 1930's.⁴⁷ There was then a strong element within the Kwantung Army which thought that the military should take the lead in dealing with the Chinese as had been done in Manchuria in the Mukden Incident. In December 1935, the Kwantung Army had dispatched to the War Ministry in Tokyo a propaganda plan made in contemplation of the Japanese army's advance into China proper. In the following

⁴⁶Paul W. Schroeder, The Axis Alliance and Japanese-American Relations, 1941 (New York, 1958), 7-8.

⁴⁷The rivalry between Japan and the Soviet Union was not exactly new. Since Russia had obtained access to the Pacific in the nineteenth century, Japan had felt the need to protect herself. The Russo-Japanese War, 1905, is an excellent example of this rivalry which again came to a head in the 1930's when Japan took over Manchuria.

months Hirota, the Japanese foreign minister in the Okada cabinet, had established the policy of diplomatic cooperation with the army's plans for North China. With great enthusiasm the Japanese Kwantung Army planned for the second phase of the Chinese conflict, and an incident similar to Mukden was created and carried out.⁴⁸

The war between China and Japan had actually begun with the Mukden Incident in 1931 when Japan successfully conquered Manchuria. The period between 1931 and 1937 can be considered as the first phase of Japan's plan to overrun China. The second phase of the plan started on July 7, 1937, when the Japanese troops attacked the walled city of Wanping near Peiping following the "Marco Polo Bridge Incident."⁴⁹

On the night of July 6, 1937, the Japanese garrison stationed at Lukouchiao made an unusual maneuver. Claiming that a Japanese soldier was missing, the Japanese army commander demanded entry into the city of Wanping to conduct a search. Fighting broke out while the allegation was still under negotiation and on the afternoon of July 8, 1937, the Japanese issued an ultimatum. In the battle which ensued, the Japanese forces sustained substantial casualties and on July 10 a truce was agreed upon at the proposal of the Japanese commander in the area.⁵⁰

⁴⁸ Int. Mil. Trib. for the Far East, 48,626-7.

⁴⁹ Ibid., 49,007.

⁵⁰ Ibid., 48,628.

The incident might have been regarded as closed but this was not the intention of the Kwantung Army. Within twenty-four hours after the clash, large units of the Japanese Kwantung Army began to converge upon the area, and the Japanese put forth new demands on the Chinese army to withdraw. On July 13, the Japanese army general staff decided that if the Chinese army received reinforcements, resolute action would have to be taken to meet the situation. The Chinese did not comply with the Japanese demands and fighting resumed at Lukouchiao on the following day.⁵¹

At the outbreak of fighting it seemed to the world that the situation could be settled without widespread conflagration. After all, there was no declaration of war. At the end of July 1937 Weiszäcker was visited by the Japanese ambassador, Mushakoji, who explained to the German undersecretary that the Japanese military action in China was of service to the German cause of anti-Bolshevism. Weiszäcker answered that it was not the business of Germany to fight Communism in other countries.⁵²

The Chinese government also appealed to the German Foreign Office about the conflict. Chiang tried to use the Anti-Comintern Pact as a weapon to stop the hostilities,

⁵¹Ibid., p. 8, 626-627.

⁵²Weiszäcker, 116.

or at least to get German support behind China. The Sino-Japanese conflict was not in the interest of Germany, stated the Chinese ambassador, and Dr. Trautmann replied that he doubted whether the "small, administrative" Anti-Comintern Pact could be used to influence Japan. Dr. Trautmann was instructed by the German government that the pact did not offer any basis for the exertion of any influence.⁵³

⁵³Ikies, 55-56.

CHAPTER II

THE GERMAN MILITARY MISSION IN CHINA

When the Sino-Japanese conflict broke out in July 1937, General von Falkenhausen, the head of the military advisory mission in China, and his advisory group were highly regarded by the rank and file of the Chinese government for their valuable work in building China's fighting strength. The Germans had also won the confidence of Chiang Kai-shek. Even though Germany increased her ties with Imperial Japan, von Falkenhausen and his associates continued to work faithfully to assist China. With the full confidence of the Generalissimo, von Falkenhausen was dispatched to North China theater headquarters at Paoting immediately after fighting broke out.¹

General von Falkenhausen did an excellent job in China. The German advisers selected five hundred of the most promising soldiers for officer training each year. From a rigorous four-year schedule successful students graduated into the commissioned ranks of the Chinese National Army. One or two such German-trained lieutenants could influence the ranks of an entire division and helped transform a spiritless rabble into a respectable fighting unit. Above

¹F. F. Liu, 162.

everything else, the German mission instilled in the Chinese the realization of the necessity of discipline and training in the production of the finished soldier. The buildings at the Central Academy were orderly and neat and the drill grounds were adequate and well adapted to the military purpose of the training.²

Aware of China's industrial limitations and the pressing need for an armed force, General von Falkenhausen adopted the scheme on which the 100,000-man Reichswehr had been constructed: great reliance was placed on a high proportion of light automatic weapons, and mortars were used as heavier artillery. The training plan went forward rapidly and a 800,000-man force was soon under arms. A number of modern artillery regiments were built about well-trained nuclei. An anti-aircraft and air defense system was constructed, a move which the coming of war seen justified. An armored brigade, equipped with two kinds of old British tanks and artillery, trained near Nanking.³

Although mobility was the keynote of the Chinese preparations, it was thought advisable to build certain defense lines between Nanking and the seaport of Shanghai, where the Japanese had gained a foothold and established a military base.⁴ General Chang Chih-chung, former superintendent of the Central Military

²Buss, 403.

³F. F. Liu, 100-101.

⁴Ibid., 100.

Academy, was given the task of building the fortifications. The general worked in secret headquarters at Soochow with the assistance of German experts. A plan to reorganize the coastal defenses, especially along the Yangtze River (originally defended by old guns) at Kiangyin, Chinkiang and Nanking was actively being pursued just before the outbreak of hostilities. Unfortunately, the new German guns had come too late--barely a few weeks before the Japanese attack. Equally fruitless was the effort on the Chinese counterpart of the "Hindenburg" line which consisted of a network of pillboxes and fortresses between the capital and Shanghai. This line did not live up to its expectations when the test came, and it went the way of the Maginot, the Siegfried, and other such "impregnable lines of defense."⁵

Soon after the conflict broke out between China and Japan, the Japanese ambassador in Berlin, Mushakoji, demanded the withdrawal of the German military mission and the stopping of shipments of war materials to China; the Japanese also wanted moral support. At the same time, the Chinese ambassador protested to the German Foreign Office about the anti-Chinese tone of the German press; most items about the subject were appearing under a Tokyo rather than a Shanghai dateline.⁶

⁵Ibid., 101.

⁶U.S. Department of State, U.S. Foreign Relations, 1937, III (Far East) (Washington, D.C.: U.S. Government Bureau of Printing, 1949-51), Gilbert to Secretary of State, August 26, 1937, 483.

Von Neurath refused to comply with the Japanese demand for moral support in the Japanese struggle against Communism in the regime of Chiang Kai-shek. The German foreign minister told Mushakoji that, if Germany stopped the arms trade and recalled her advisers from China, the Germans would then be siding against Nanking in the conflict and would fail to be neutral toward China as Adolf Hitler had ordered. Von Neurath pointed out to the Japanese ambassador that withdrawal of the German military mission from China would only result in the vacancies being filled by Russians, which would be most undesirable for Japan. Mushakoji then asked the German Foreign Minister that the German advisers be kept away from the immediate front. Von Neurath replied that the German advisers had already been given orders to this effect.⁷

However, in China the Japanese army general staff became increasingly angry about the active participation of German military advisers in the "shooting war." The Japanese army asserted that the advisers were engaged in directing the fighting, especially in sections of the trenches around Shanghai. It was reported to the ambassador, Dirksen, in Tokyo that a General Streccius even went so far as to take one of the Chinese warlords in Shantung severely to task for his slackness in fulfilling his duties toward the marshal.⁸

⁷Weissäcker to Dirksen, July 26, 1937, D.G.F.P, D, I, 743.

⁸von Dirksen, 178.

The German advisers indeed enjoyed close relations with the Chinese army and Chiang Kai-shek. General von Falkenhausen was a close friend of the marshal. The advisers were the pick of the Reichswehr, and from their arrival they had enjoyed the respect of the Chinese leaders, and they went on to enlist their cooperation. Generalissimo Chiang, especially captivated by German efficiency, placed considerable trust in these advisers and sought to employ them in several respects: to advise in the training of a nucleus force to resist the Japanese invasion; to advance the modernization of the provincial armies; through increased strength in the outlying areas, to enhance the unifying effect of the central government; and to build up an entente which would promote better military, political and industrial relations.⁹

On August 21, 1937, the Sino-Soviet Pact was concluded. This agreement confirmed German fears that Japan was driving China into the hands of the Russians and Bolshevism. Japan claimed that she was actually fighting Communism in China and that Germany was obliged to aid her under the Anti-Comintern Pact of 1936. Germany's reply was emphatic: The Anti-Comintern Pact did not provide for combatting Communism in the territory of third states.¹⁰ In fact, as Weiszäcker pointed out to the Japanese ambassador, Japan was pushing China toward the common enemy of Germany and Japan.

⁹F. F. Liu, 164-5.

¹⁰Ikies, 57.

During August and September, 1937, the Nazi Party disagreed with the Reichswehr, Foreign Office and Economics Ministry on the course to take in the Far East. The Reichswehr thought that Japan simply was not strong enough to conquer China. Die Wehr, an organ of the German army general staff, declared in late September that there was no basis for the belief that Japan would finally win in China and, comparing the invasion of China with Napoleon's campaign in Russia, predicted that though Japan might "seize fragments of territory," China would remain "invincible" and "filled with irreversible hatred."¹¹

The Nazi Party did not agree. Japan was considered the strong power in the Far East against Bolshevism. The Nazis were of the opinion that for the sake of political solidarity with Japan, German commercial interests in China would have to be abandoned.¹² This meant that there would be no need for

¹¹Rosinger, "Far Eastern Policy", Pacific Affairs, 429-430.

¹²Adj. Gen. Dept., Trial of the Major War Criminals, XII, (Weiszäcker), 431-32, explains Hitler's opinion of Japan's position in the Far East. Hitler put in a directive for the Four Year Plan, 1936, "...presently there are only two nations in Europe which can be regarded as being firm against Bolshevism-- Germany and Italy. The other nations are either disintegrated by their domestic way of living, infected by Marxism and therefore designed to collapse within the discernible future, or ruled by authoritarian governments, the only strength of which are the military means of power which means that due to the necessity of protecting the existence of their own leadership against their own people by the forcible means of the executive power, they are unable to utilize these forcible measures outwards for the protection of the nation. All these nations would be unable to wage war against Russia with the prospect of success.

"Generally, besides Germany and Italy, only Japan can be considered as a power resisting the world peril..."

Germany to have advisers in China and that Germany would be cut off from her trade unless Japan were victorious in China. Raw materials were badly needed by the German rearmament industry. But the official paper of the Nazi Party, der Angriff, claimed that Japan was the champion against Communist activities in the Far East.¹³

At the outbreak of fighting between China and Japan, General von Falkenhausen was involved with the Chinese National Army strategy. The general gave, in confidence to Chiang Kai-shek, an optimistic estimate of the probable course of events in the conflict. An expert on Far Eastern affairs, he conferred daily with the Chinese marshal and his staff, and often attended the Chinese army staff meetings at which he gave his opinions regarding the tactical plans of the Chinese army in resisting the Japanese invaders.¹⁴

The disagreement between the Nazi Party, which was pro-Japanese, and the pro-Chinese officials in the German government widened during the summer and fall of 1937. A similar split in the government was growing in Japan. The viewpoints of the Japanese army and the Japanese Foreign Office differed regarding the "China Problem." Deputy Chief of Staff Tada and his able subordinate, Colonel Ishahara, a well-known strategist in military dealings with Russia, pressed the government's demands for an early settlement in China. Financial circles grew more

¹³Ikles, 59.

¹⁴New York Times, May 20, 1938.

impatient with the problem; even Foreign Minister Hirota was in favor of some kind of settlement. The Japanese Foreign Office approached the British ambassador about mediation soon after the conflict, but War Minister Sugiyoma rejected such mediation on the principle that "there should be direct negotiations between Japan and China because of the Asiatic Monroe Doctrine upon which Japan had been insisting ever since her withdrawal from the League of Nations."¹⁵

On October 27, 1937, an important change took place in Berlin. Togo was appointed ambassador to Germany in place of Mushakōji, and he was instructed to pursue the task of convincing the Germans, particularly Hitler and von Ribbentrop, that Japan would certainly succeed in the conquest of China and that by supporting Japan, Germany might assure herself a preferred position in China.¹⁶ The new Japanese ambassador did not go to the German Foreign Office with his instructions, but, instead, went to see von Ribbentrop. In the fall of 1937, von Ribbentrop was still the "ambassador plenipotentiary" of Hitler, and German Foreign Minister von Neurath was apparently ignorant of the talks between von Ribbentrop and Togo.¹⁷

The Chinese conflict embarrassed the German Foreign Office. Germany had a political alliance, the Anti-Comintern Pact, with Japan, and at the same time she had important investments, trade

¹⁵James T. C. Liu, "German Mediation in the Sino-Japanese War, 1937-38", Far Eastern Quarterly, Vol. 8, 158.

¹⁶Int. Mil. Trib. for the Far East, 48,739.

¹⁷As we have seen in the preceding chapter, conversations between von Ribbentrop and his Japanese friends were not unusual.

relations and a military advisory group in China, and the Reichswehr considered Chiang Kai-shek a bulwark against Bolshevism. The Reichswehr objected to the conflict for two reasons: first, if Japan was the ally of Germany, as Hitler wanted, the Japanese would weaken their army in a useless war. Japan could become so weak that she would be a burden to Germany in any war with Russia. It should be remembered that Hitler had concluded the Anti-Comintern Pact a few months earlier. Second, the Reichswehr opposed the conflict because it weakened China. The Reichswehr had always looked upon China as the more powerful force in Asia because of her tremendous population and resources. Also, German merchants protested against the conflict, claiming it upset peaceful trade and endangered German property.

Von Neurath endeavored to bring peace in the Far East. He probably knew that it would be the last chance for Germany to save her trade interests there. Dr. Trautmann, the German ambassador in Nanking, actively took part in a plan for mediation. Weiszäcker apologetically explained: "Germany was only interested in the establishment of peace and had no ulterior motives."¹⁸ Germany found herself in the best position to serve as a channel of communications between the two nations, Japan and China, because she enjoyed close relations with one and an alliance with the other. Adolf Hitler

¹⁸Weiszäcker, 116+117.

was becoming more friendly toward Japan. The Japanese had asked the Führer to refuse to attend the Nine-power Conference, meeting at that time in Brussels to deal with the China conflict.¹⁹ Hitler had personally given orders to the German foreign minister not to attend the meeting, a move which certainly increased Japan's respect for him.

Dr. Trautmann pointed out to the Chinese foreign minister, Dr. Wong Cheng-hui, that mediation between China and Japan was not as simple as it seemed. The Sino-Soviet Pact concluded in August 1937 made a solution to the problem with Japan much more difficult for China.²⁰ Germany expected that China, in the future, would have to revise her policy toward the Soviet Union if peace were to come to the Far East. The Chinese foreign minister replied that he fully understood the position of China and pointed out that it was Japan who had forced the Chinese to ally with Russia in the first place.

¹⁹Int. Mil. Trib. for the Far East, 48,635-6, explains that a month later, on October 6, 1937, the League of Nations decided that Japan's military operations against China were out of proportion with the incident which had occasioned the conflict and could be justified neither under existing treaty rights nor upon the grounds of self defense.

²⁰Trautmann to Foreign Minister, October 30, 1937, DGFP, D, I, 774.

The conduct of the Japanese army in China took a very different turn after the initial invasion. The campaign was so unsatisfactory that even the Japanese army general staff abandoned the hope for a speedy victory. On November 5, 1937, due to the pressure of German disapproval, Foreign Minister Hirota presented the first peace offering. It was relayed to the Chinese by the Germans.²¹ The Japanese terms were the basis for negotiations.

Dr. Trautmann read the terms to Chiang Kai-shek in a meeting the following day. The Chinese marshal replied that he could not possibly accept the Japanese demands as long as the Japanese army was not prepared to restore the status quo ante; it would be possible to negotiate if the Japanese army would meet this requirement.²² Quite confidently, the marshal informed the German ambassador that the Chinese government would be swept out of office by public indignation if he agreed to the Japanese demands: apparently, Chiang had not forgotten the Sian kidnapping and the "All China Salvation Association." There would be a revolution, Chiang stated. According to him, the Japanese were pursuing the wrong policy: instead of making a friendly gesture toward China now and thereby laying the basis for friendship, they were making demands. If the

²¹Int. Mil. Trib. for the Far East, 48,665.

²²Trautmann to Foreign Minister, November 5, 1937, D. G. F. P., D, I, 780.

Japanese army continued the war, China would not have a chance of eventually winning, but neither would she lay down her arms. If the Chinese government were to fall as a result of the Japanese course of action, the Communists would certainly gain the upper hand and it would be impossible for Japan to make peace, for the Reds would never capitulate.²³

This blunt statement loomed over the German policymakers; the Foreign Office, the Economics Ministry, and the Reichswehr wanted China as an ally against Bolshevism; if the struggle continued, Germany would lose an ally. Chiang could therefore hope that the Germans would do their best to mediate in the conflict.

Once more the German Foreign Office in Berlin was under pressure to remove their advisers from China. The Japanese knew well that the German advisers were under unofficial private contracts with Chiang Kai-shek, but news dispatches were appearing, such as a United Press statement that five German advisers were in active service in the Shanghai area on the Chapel front and that the staff of advisers had been transferred to Nanking. According to the United Press, a considerable number of German military advisers took part in the actual fighting and were in command of Chinese troops. The retreat of the Chinese on the northern front in the face of a threatening Japanese encirclement had been recommended by the German advisers although it was against the wishes of

²³Ibid.

the Chinese general staff. According to the U.P. report, eighty-seven members of the German group took part in this operation.²⁴ Then, in the same telegram to Berlin in which this report was given to the German foreign minister by von Dirksen, the German Ambassador in Tokyo reported that a reliable source from Shanghai had told him that General von Falkenhausen had been in Shanghai for a considerable time and had led the operations there. In addition, according to von Dirksen, it was reported that the two other German advisers had been on that front.²⁵

The German Foreign Ministry sought to belittle the report of the advisers' activities in China. The next day the German foreign minister received a telegram from Dr. Trautmann stating that the advisers were not employed at the immediate front, that no war had been declared in the conflict, that the U.P. report was pure fabrication and that General von Falkenhausen had never been on the front. According to Trautmann, General von Falkenhausen had been invited

²⁴Dirksen to Foreign Minister, Sept. 21, 1937, D.G.F.P., D, I, 759. Apparently the news dispatch of the United Press was a grave overestimation of the number of advisers for F.F. Liu, 102, reports that in 1933 there were 61 German advisers and officers with the Chinese army, 22 of them in key positions. In 1935 this number had increased to 70, but in 1938 the remaining military advisers numbered only 30. Then again, Mr. Edgar Snow (The Battle for Asia, New York: Random House, 1941) seems to think that there were about a hundred German advisers in China at the time of the conflict. See Appendix.

²⁵Dirksen to Foreign Minister, September 21, 1937, ibid.

by Marshal Chiang Kai-shek's headquarters to acquaint himself with the situation as the other foreign military attaches were doing.²⁶

Because of the profitable Chinese trade, the German Foreign Office was particularly interested in keeping its advisers with Chiang Kai-shek. The German foreign Minister suggested that, if Hitler should mention the withdrawal of the advisers, von Blomberg, the war minister, should ask if Soviet advisers would be preferable.²⁷ Later von Blomberg reported that Hitler had not taken up the question but had pointed out that the War Ministry should rid itself of the reputation of having a pro-Chinese attitude.²⁸

On November 28, 1937, Dr. Trautmann called on Dr. Kung, then president of the Executive Yuan at Hankow, and the next day he called again on the Chinese foreign minister, Dr. Wong Chong-hui, to whom he handed a new set of Japanese demands for mediation. The demands had been drawn up before the Japanese offensive:

²⁶Trautmann to Foreign Minister, Sept. 23, 1937, D. G. F. P., D, I, 761.

²⁷Memo by Maekensen, Nov. 3, 1937, ibid., 777. Also, according to Telford Taylor, Sword and Swastika: Generals and Nazis in the Third Reich (New York: Simon and Schuster, 1952), 153, von Blomberg's political outlook did not mirror the Führer's but rather embodied old and deep currents of thought common to many Junker nobles. Like von Seeckt, he favored a close relation to Russia, and advocated the eventual partition of Poland. He was anti-Japanese and, again like von Seeckt, pro-Chinese.

²⁸Memo by Maekensen, Nov. 8, 1937, ibid., 782.

- 1) Inner Mongolia shall be autonomous.
- 2) The demilitarized zone in North China shall be extended; while the Chinese Central Government still retains the administrative powers over North China, it shall not appoint any anti-Japanese officials as leaders there. If during the interval of the negotiations there should arise a new regime in North China, it should be allowed to remain, although up to the present Japan has no intention of establishing such a regime.
- 3) The demilitarized zone in Shanghai shall likewise be extended and the administrative power shall remain the same as before the war.
- 4) The prohibition of anti-Japanese activities shall follow the principles discussed between Ambassador Kawagoe and Foreign Minister Chang Chun in 1936.
- 5) China shall take effective measures against Communism.
- 6) China shall revise her customs duties in a favorable way.
- 7) China shall fully respect the interest of foreign powers in China.²⁹

With the Chinese National Army in a desperate situation, Marshal Chiang Kai-shek accepted the Japanese terms on December 3, 1937.

But during the latter months of 1937, the war in China increased steadily both in scale and intensity. Foreign policy statements had been made in accordance with the Kwantung Army's plan for conducting a propaganda campaign to convince the world of the lawfulness of Japan's actions in the Far East, simultaneously with the advance into China.³⁰

²⁹James T. C. Liu, 160-161.

³⁰Int. Mil. Trib. for the Far East, 48,635.

The Japanese Foreign Minister Hirota, on receiving the memorandum accepting the mediation proposals from von Dirksen for Chiang Kai-shek, remarked that he would now have to obtain the opinion of the army and the navy. Hirota doubted if it would still be possible to negotiate on the basis drawn up before the great Japanese military successes around Shanghai during the fall of 1937. Ambassador von Dirksen countered that Hirota had remarked just a few days before that the terms would remain unchanged. The Japanese foreign minister replied that the last few days had brought a very different situation; the Japanese field army had become more exacting since it had been victorious in China.³¹

It was not until December 22 that Hirota again communicated with Ambassador von Dirksen about the mediation proposals. Hirota stated that it was no longer possible for Japan to offer the earlier conditions, and that if the Chinese would agree generally on new terms, Japan would be ready to enter into negotiations.³² Von Dirksen sent a telegram to the German foreign minister warning that if the mediation failed, Germany could expect new pressures from Japan for the recall of the advisers.

The German advisers had done their best to mediate in the conflict. Chiang Kai-shek was told many times by his

³¹Dirksen to Foreign Minister, Dec. 7, 1937, D.G.F.P., D, I, 799.

³²Int. Mil. Trib. for the Far East, 49,245-6.

friend General von Falkenhausen that a peace with the Japanese would be the best policy for China. General von Falkenhausen, who had been ordered to the battle of Shanghai with a number of staff officers, went to Nanking by special order of the Generalissimo, and had assisted regularly in the supreme headquarters at Wuchang. Several high-ranking German advisers, among them General Streccius, served in confidential capacity in Shantung and Shansi.³³

By early January 1938, it was clear that the Japanese military no longer wanted peace with the Nanking government but rather its overthrow. The Germans still tried to mediate in the conflict, but after the Japanese ambassador visited the German Foreign Ministry and declared that a prolonged war was dangerous for Japan and that the Japanese government considered it no longer possible that peace could be made with the regime of Chiang Kai-shek but instead negotiations with the individual provincial governments would be tried, the German foreign minister should have known it was useless to hope to settle the Sino-Japanese conflict.³⁴ To the great dismay of Dr. Trautmann, who was working hard for a settlement, the Japanese government changed the terms again on January 11, 1938, and now the German ambassador in China wired in

³³F. F. Liu, 162, "albeit their contributions have been greatly exaggerated and their functions misunderstood."

³⁴Ikies, 64.

frustration to Berlin: "we are losing face with the Chinese through this."³⁵

On January 13, 1938, the Chinese minister of foreign affairs replied to Dr. Trautmann that, as the new peace terms proposed by Japan were so general, the Chinese government desired more detail in order to reach a definite decision.³⁶ Von Dirksen in Tokyo immediately communicated the Chinese reply to Hirota. The Japanese foreign minister, fearing that China might gain the support of the British and the Americans, retorted angrily that China was beaten and that he must have a speedy reply. He emphasized that Japan would not permit the matter to become the subject of international discussion or mediation in case the German attempt at mediation failed.³⁷

On January 16, 1938, Japanese Premier Konoye made a statement which officially and publicly ended Japanese attempts at negotiation. The Japanese army had started the attack once more and hoped that Chiang Kai-shek would soon be forced to capitulate. A few days after the "Konoye statement" the Japanese foreign minister announced that the German mediation effort had failed and deplored the fact that China "had willfully thrown away this last chance," the last chance being represented as the December set of Japanese peace terms.³⁸

³⁵Int. Mil. Trib. for the Far East, 49,245-6.

³⁶Ibid., 49,243.

³⁷Ibid.

³⁸Ibid., 67.

In Germany, the Reichswehr was involved in the von Blomberg and von Fritsch problem, and in March 1938 Hitler seized control of the Reichswehr. This change affected the German military advisers in China; during the winter and spring months of 1938 it was rumored that they would be recalled now that mediation had failed. There was also a change in the German Foreign Office in the beginning of February 1938: von Ribbentrop was appointed as foreign minister by Hitler. Germany's cordial relations with China, which had survived for so long, began to weaken because Hitler consolidated his power.

In a speech on February 20, 1938, Hitler announced his intention to recognize the state of Manchuria. Although he emphasized the neutrality of Germany in the Sino-Japanese conflict, he went on to say:

I believe that a Japanese defeat in the Far East would never be of any good to Europe or America but would exclusively benefit Bolshevist Soviet Russia . . . Germany will always consider and value Japan as an element of security in its stand against Communism. Because for us there is not the slightest doubt that even the greatest Japanese victory would not in the slightest degree endanger the culture of the "White Race" . . .³⁹

Now that Oshima and Togo had won their round with the Führer, the actual break between Germany and China was not far away. The Japanese diplomats were well acquainted with the feelings of the German Reichschancellor and his new foreign minister concerning the Far East, and had succeeded

³⁹Toynbee, 570.

for the time at least in getting German support for the Japanese policies. In February 1938, having listened to the offers from Togo and Oshima of preferential treatment for Germany in China, the Führer recognized the Japanese puppet-state of Manchuria. It would be a much better arrangement than the Germans had enjoyed with Chiang Kai-shek, or at least, this is what the Nazis were led to believe.

Not until April 1938 did the Chinese ambassador in Berlin ask Weiszäcker, the German undersecretary of the Foreign Office, about the newspaper reports from Great Britain, France and Czechoslovakia, that the German military advisers had been given orders to leave China. The German undersecretary told the Chinese ambassador:

. . . . after all, we felt that we wanted to maintain a neutral attitude in the Sino-Japanese war, and in the long run it was inconsistent with this attitude if, as a result of the presence and assistance of some thirty former German officers, the world should believe, rightly or wrongly, that we were actively influencing the Chinese conduct of the war.⁴⁰

The Chinese ambassador stressed that this order would create much harm for Germany and hoped that it was not a direct order. Weiszäcker replied that it was not a military order since the officers were no longer in German military service but it was the wish of the German government.⁴¹

⁴⁰Memo by Weiszäcker, April 27, 1938, D.G.F.P., D, I, 855.

⁴¹Ibid.

Japanese Ambassador Togo had asked von Ribbentrop about the powers of the German government over its citizens. Von Ribbentrop had stated that Germany had power over her citizens overseas but that these advisers were under Chinese contracts.⁴²

On May 25, 1938, Dr. Trautmann returned to Hankow and gave a statement to the press to the effect that the German government had expressed a desire to the Chinese government that the advisers be allowed to cancel their contracts and return to Germany. This request was motivated by the consideration of neutrality in the conflict. Von Falkenhausen was reported to be against the removal or recall of the advisers and wished to remain as guest of Chiang Kai-shek.⁴³

When Dr. Trautmann notified von Falkenhausen of Hitler's withdrawal of the German military mission, the German general wrote in protest to the German foreign minister. Von Falkenhausen stated that the private contracts ran until 1939 and 1940 and could not be terminated unilaterally. This would mean a breach of contract and legal liabilities for damages, loss of money for the return journey and compensation for the intervening period.

⁴²"Will Japan Abandon the Axis?" from the China Weekly Review, Shanghai English-language weekly, Living Age CCCLVI (July 1939), 472, states "...it must be remembered, besides, that General von Falkenhausen, head of the German advisers, was generally credited with having contributed to the victorious outcome of the battle of Talerhchwang for China; this battle was one in which the Japanese were soundly beaten.

⁴³Department of State, U.S. Foreign Relations, 1938, III (Far East), Johnson to Secretary of State, May 26, 1938, 182.

For the majority of the advisers, termination of these contracts would mean giving up their vocations and would cause their financial ruin since most of them could be offered no equivalent position at home. This was particularly true of advisers whose reinstatement in the Wehrmacht was impossible. Because of the increased expenditures caused by the war, a number of advisers had contracted financial obligations; if they broke their contracts, they would be stranded in China and in debt.⁴⁴

Almost all of the advisers had their homes and most of their property in Nanking and continued to keep their domestic help there as the safeguarding of property not already plundered by the Japanese could not be guaranteed by the government of Chiang Kai-shek. Leaving China would entail the loss of many possessions, impossible to ship. The woman secretaries in the Central Adviser's office had come to China at their own expense and would not have money for the return journey or prospect of employment. The German government would have to assume the cost of the return journey for the advisers, their families and their secretaries, compensation for household effects, and other damages resulting from the termination of the contracts.⁴⁵

The advisers were in an awkward position: refusal to return to Germany on Hitler's order would be high treason.

⁴⁴Trautmann to Foreign Minister, Apr. 30, 1938, D.G.F.P. D, I, 857.

⁴⁵Ibid.

High treason in Germany was punishable by deprivation of citizenship and confiscation of personal property and possibly other penalties. The German government demanded that the advisers abrogate their contracts and promised favorable treatment and reemployment in Germany. The order applied to all military advisers.⁴⁶

The German advisers then received the "assurance" of von Ribbentrop that their withdrawal from China was most important and that Germany would compensate for their losses. Chiang Kai-shek hesitated to let them go, for he feared that the Germans who were familiar with the Chinese defenses on the Hankow and Yangtze Rivers would inform the Japanese of these fortifications. When the Chinese ambassador told von Ribbentrop of his fears, the German foreign minister rejected the charge angrily and implied that his sense of honor had been violated. Von Ribbentrop was tired of the Chinese haggling and put a time limit on the recall of the advisers. He informed Dr. Trautmann that if the advisers had not left before June 24, 1938, Germany would break off diplomatic relations with the Chinese.⁴⁷ Dr. Trautmann then left for Germany. A few days later the Chinese marshal released the Germans who had been on his staff since 1927.

Nor were the German officers without criticism. Frieda Utley wrote of the German advisers role in the Chinese conflict:

⁴⁶Johnson to Secretary of State, June 23, 1938, U.S. For. Rel., 1938, III, 202.

⁴⁷Ribbentrop to Trautmann, June 24, 1938, D.G.F.P., D, I, 883.

"their theory of a Hindenburg Line for fortifications which could not be broken was useless in so vast a country as China. They were good drill sergeants, but this is not what we wanted and their conceptions and tactics were unsuitable in China."⁴⁸

The German advisers also criticised the Chinese army's conduct of the conflict, continually objecting to the commitment of troops in futile defenses. The chief adviser, in one of his confidential reports to the Generalissimo, while praising the stand of the Chinese forces at Shanghai--and indeed the crack units of the Central Army fighting there owed their efficiency to German supervised and trained troops--could not refrain from implying that, in the face of undeniable superiority in enemy firepower, the tenacious defense of the fixed positions had been ill advised. Von Falkenhausen hinted that excessive sacrifice would cost China her main striking power and be detrimental to her long-term military interests. The German advisers were completely at variance with the Chinese concept: "life and die in defense". Resolute defense of walled cities, particularly Nanking and Taiyuan, drew sharp German criticism and advice to rely instead on highly trained, mobile striking forces with swift and calculated attacks.⁴⁹

The German advisers not only criticised Japan's fight against Communism in China but also the Japanese army strategy.

⁴⁸Frieda Utley, China at War (New York: John Day Co., 1939), 8.

⁴⁹F. F. Liu, 163.

Japan's army did not strike with overwhelming forces, but tried to finesse a cheap conquest in the summer of 1937. Enough men had been sent to China for a breakthrough, but not enough to round up and annihilate the Chinese armies, which evaded encirclement. The consequences of the original mistakes multiplied in geometrical progression: each time reinforcements were brought in, the problem had already grown beyond proportions that could be handled.⁵⁰ The Japanese had a million men in China, enough to maintain a stalemate.

In July 1938, just after the German military advisers left China, General Arika said "Japan's determination to fight to a finish with China and Russia is sufficient to carry it on for more than a decade."⁵¹ The Japanese army was certain of a victory in China.

⁵⁰Owen Lattimore, "Stalemate in China", Foreign Affairs XIX (April 1940), 624.

⁵¹Int. Mil. Trib. for the Far East, 48,725.

CHAPTER III

GERMAN WAR TRADE WITH CHINA

The group responsible for the organization of the German military advisers in China probably influenced the German National Association of Manufacturers (Reichsverband der Deutschen Industrie) which sent a special economic mission to China in 1930.¹ While this mission advocated closer Sino-German trade relations, it was distressed by the unsettled state of affairs in China. In its report, German investment in China was recommended only through the establishment of Sino-German enterprises. There were no practical results following the mission, since the German Weimar government was opposed to guaranteeing loans extended by German business to China; however, out of this mission evolved the China Studien Gesellschaft (Society for China Studies), a representative organ of the German business interests in China.

The China Studien Gesellschaft grew into a competent organ to advise German merchants on Sino-German trade. China, in spite of her pre-German sympathies, her need for development through foreign capital, and the progressive consolidation of the national government and its financial

¹Bloch, 17.

²Ibid., 4 ff.

organization was not considered to offer good possibilities for trade relations by many merchants.³ However, probably because of the need for raw materials, the Weimar government put special credits at the disposal of German merchants engaged in the China trade; the credit was little used.

In the early 1930's, the German military mission grew in importance to the Weimar government. Lt. Col. Kriebel, who had taken over command of the German military mission from Colonel Bauer, received the blessings of German industry. Not only did the German industrialists see an opportunity for development of normal trade but also of trade in war materials. The Chinese army would demand in its civil wars such items as rifles, machine guns, tanks, boats, uniforms, trucks, airplanes, etc. The military advisers would then be salesmen for German industry as well as teachers of their own specialty.⁴ In the meantime, Lt. Col. Kriebel had resigned his post as head of the German advisers and General Wetzel had taken over the command.⁵ Soon General Wetzel also resigned and

³Ibid., 24.

⁴Buss, 403.

⁵Kriebel's part was not completed in the Far East, however, for upon his return to Germany he renewed his relationship with Hitler and in April 1934 returned to China as German Consul General at Shanghai. He became the key representative in China of the Nazi Party's interests, and it was through him that much of China's munitions and industrial purchases were arranged. As he had the confidence of both Chiang Kai-shek and Hitler, Kriebel's influence in China was even greater than that of the German ambassador, Dr. Trautmann. Kriebel remained in that vital position until February 1941 when he was recalled to become the Chief of the Personnel Department of the German Foreign Office. F. F. Liu, 75.

General von Seeckt came to China as military adviser to Chiang Kai-shek with permission of the Reichswehr and Economic Ministries. Part of von Seeckt's function was to build up the Sino-German trade and to develop China's industrial power. Von Seeckt regarded the building of a modern Chinese army to be impossible unless accompanied by industrial reconstruction. The Chinese nation had to reorganize its economy and set up an armament industry (Rüstung-industrie) with German technical and material assistance.⁶

This opinion concerning the Chinese armament industry was perhaps influenced by the fact that on his first visit to China von Seeckt was met by Major Preu in Honkong. (Major Preu had accompanied him on the trip from Germany to Nanking). Preu had gone on to Canton and had been joined by Burton Klein who had arrived from Germany; they had started secret negotiations with the Cantonese authorities. On August 1, 1933, Klein informed Trautmann of a contract for the building of an armament industry near Canton.⁷

Soon, Klein asked a guarantee of the Weimar government. He could not back this contract and therefore asked if the German government could sponsor such an investment. The "Klein Project," as it was called by the German bureaucracy, was discussed at an interdepartmental conference. Major General von Reichenau emphasized that for the Reichswehr

⁶F. F. Liu, 97.

⁷Trautmann to Foreign Minister, Sept. 18, 1933, D. G. F. P., C, I, 812.

Ministry the implementation of the "Klein Project" was paramount. The productive capacity of the armament industry in central Germany should be strengthened by means of orders from abroad so that it would be available when needed; at present, the armament industry was not sufficiently employed by domestic orders.⁸ It was also decided at this conference that the future course of the "Klein Project" depended upon von Seeckt's negotiations with Chiang Kai-shek and that Chiang's consent should avoid ambiguity.⁹ At first the marshal had refused the "Klein Project" for it was signed by the individual Chinese governors, but later he accepted, most likely because of the influence of General von Seeckt.

The Reichswehr no longer objected to establishing an armament industry near Canton. Colonel Thomas, the head of the German Army Ordnance Office said that:

. . .in view of the urgent necessity of supplementing the army's raw material requirements the Reichswehr and the president of the Reichsbank, Dr. Schacht, had in principle approved "Klein's Project," especially as we did not need to make any foreign currency available. The risk seemed small since we should be making machinery available pari passu with the delivery of ores. Klein had so far justified the confidence placed in him. . .¹⁰

Later the Chinese, in the establishment of a kuo-fang Kung-yeh (national defense industry) dealt largely with the German

⁸Memo by Kuhlborn, Feb. 16, 1934, D.G.F.P., C, II, 495.

⁹Ibid.

¹⁰Memo by Erdmannsdorff, Feb. 14, 1935, D.G.F.P., C, III, 929.

industrial organization, Hapro, under Göring, and set up a national resources planning commission under the military council.¹¹

Also, the big iron and steel firm of Otto Wolf (Cologne), which had early set up an office in Shanghai, made tremendous profits contracting for railroads with Chiang Kai-shek. In 1934 a loan of 16 million Chinese dollars for the 300 km. Yushan-Nanching section of the Chekaing-Kiangsi railway was made; in 1936 another loan of 20 million Chinese dollars for the 200 km. extension from Nanching to Pinghsiang; and late in the same year, a third loan of 30 million Chinese dollars of which 20 million was to be used for a 1,000 km. railway from Chukow to Kweiyang and 10 million for a Peiping-Hankow railway bridge across the Yellow River.¹²

With war as well as peace in mind, highways and railways were speedily built. Factories sprang up. Arsenals were expanded and modernized. The new industry was geared to the feverish military preparations. Giving his military chief, General von Falkenhausen, a free hand in military matters, the ailing von Seeckt master-minded China's industrial expansion. His overall plans for reconstruction of the Chinese army and

¹¹F. F. Liu, p. 97.

¹²Rosinger, "Germany's Far Eastern Policy under Hitler", 421-422, when the new Japanese invasions began in 1937, the Yushan-Nanking line had been completed and the line from Nanching to Pinghsiang was under construction, but work on the Chukow-Kweiyang road had not yet begun.

certain broad general strategies were important, but his most significant work was concerned with the establishment of the Chinese war industries and the encouragement of the Sino-German trade.¹³

The Germans were well aware of China's backwardness industrially and made every effort to advise them on the expansion and acceleration of the munitions industries. Under Chinese direction the arsenals at Nanking, Kung-hsien, and Hangyang produced weapons of original German design, such as the Maxim machine gun, the 82 mm. trench mortar and the Mauser rifle and pistol. The standard Chinese rifle, the Chung Cheng or "Generalissimo Chiang model", was actually a Mauser design. For the first time, chiefly due to machinery and tools imported from Germany, Chinese-made weapons embodied quality and precision. Chemical plants for the munitions program were constructed with technical advice from I. G. Farben. With German financing, the Chinese projected a modern steel mill to be erected at Chukow, in Hunan province.¹⁴

When von Seeckt returned to Germany, leaving von Falkenhausen in charge of the military mission, he recommended to Hitler, in the presence of Blomberg, von Neurath and Schacht, that there was a need for pursuing a clear-cut German foreign policy with respect to China. Von Seeckt was for some time

¹³F. F. Liu, 97-98.

¹⁴Ibid., 101.

under the impression that Hitler agreed with his request. A barter agreement involving 100 million marks in trade was signed by China and Germany on July 25, 1936. Tungsten headed the list of the Chinese raw materials exchanged for German-made munitions and other industrial products.¹⁵ Field Marshal von Blomberg had conducted the negotiations; von Seeckt, as resident adviser to China in Germany, played an important role in the deal, and General von Reichenau had made a special trip to China as Hitler's special representative.

Then in November 1936 the Anti-Comintern Pact was signed between Germany and Japan. The Pact was signed without the knowledge of the Foreign Office, the Economics Ministry, or the Reichswehr Ministry.¹⁶ The only concrete result of the ideological partnership was an increase in trade relations between Germany and Manchuria.

¹⁵Ibid., 98.

¹⁶Toynbee, 572. The two governments signed a trade agreement whereby Germany undertook to buy annually 100,000,000 yuans' worth of Manchurian produce in return for the importation of German commodities to the value of 25,000,000 yuan. The agreement, originally for one year, was extended in 1937. On September 14, 1938, a further agreement lasting till May 1940 was concluded in Hsingking, by which the two countries, over and above the trade provided for in the 1936 agreement, were to conduct a balanced exchange of goods to the value of 45,000,000 Reichsmarks or 63,000,000 yuan. Germany thus pledged herself to a total of annual purchases of 163,000,000 yuans' worth of Manchurian goods to the value of 88,000,000 yuan. Although the balance was so strongly in Manchuria's favor, Germany further agreed to advance up to 45,000,000 Reichsmarks to the Bank of Manchuria in order to assist in financing the imports of German merchandise.

When the North China incident of July 1937 developed into a major war, Germany found herself in the uncomfortable position of being friendly with both warring parties. While, in the beginning, the German press was apparently instructed to be friendly toward Japan, it soon turned to neutrality because the conflict was not popular in Germany; despite Hitler's speeches there were many Germans who were pro-Chinese.¹⁷ Also, the Chinese ambassador had complained that the news releases on the conflict were datelined Tokyo instead of Shanghai.

The aid in war materials which China received from the Germans was extensive; it is estimated that until the decision to cease munitions shipments in the spring of 1938, Germany supplied the largest percentage of all assistance coming into China.¹⁸ Most of the munitions were sent by way of the Lloyd fleet to Hong Kong, but a portion was consigned through the territory of Germany's alleged enemy, the Soviet Union.¹⁹

Soon after the conflict broke out, Hitler pointed out that he adhered in principle to the idea of cooperating with Japan, but that, in the present conflict between China and Japan, Germany must remain neutral. As for the deliveries of arms to be made pursuant to the agreement with China, these should be continued insofar as China paid for them in foreign exchange or by deliveries of raw materials, camouflaged as

¹⁷Bloch, 37.

¹⁸See to Sec. of State, July 20, 1937, U.S. For. Rel., 1937, III, 214.

¹⁹Buss, 389.

much as possible. Further Chinese orders should, if possible, not be accepted.²⁰ But Germany had too many investments in China for the drastic step of breaking relations with Chiang Kai-shek.

Germany's trade with China ranked third after Japan and the United States; this gave her a material interest in preserving the status quo. Eden declared that when Kung was in London, the latter had told him of a conversation with Hitler in which the Führer had referred to the volume and value of the German trade with China and Germany's interest in avoiding hostilities in North China.²¹

The war profiteers also saw their chance. Klein of Berlin and several German firms in Shanghai were busy dispatching freighters laden to full capacity with war materials to Hong Kong. The Japanese officers harbored the bitter feeling in their phrase for the Sino-Japanese conflict: "The German War."²² Military supplies continued to pour into China from Germany all through the fall of 1937 and winter of 1938; these supplies were expedited by "pro-Chinese" officers such as War Minister Blomberg. According to von Dirksen, then ambassador in Tokyo, the German general staff became increasingly favorable to the

²⁰Memo by von Neurath, Aug. 27, 1937, D.G.F.P., D, I, 750.

²¹Bingham to Sec. of State, July 28, 1937, U.S. For. Rel., 1937, III, 287.

²²von Dirksen, 179.

Chinese and viewed Hitler's statements on a Berlin-Tokyo collaboration with great reservations.²³

The Japanese were protesting both in Berlin and Tokyo about Germany's conduct in the conflict and the German Foreign Office was under great pressure. The German foreign minister finally informed the Japanese ambassador that German deliveries of war material had not been made and were not being made to China in any considerable quantities. The Japanese could not reproach the Germans, wrote the German foreign minister to von Dirksen in Tokyo, for selling limited quantities of arms to the Chinese. This was done on a purely commercial basis. Germany readily demonstrated her new weapons to the Japanese and granted extensive inspection privileges to the Japanese commission. It was not Germany's fault if the Japanese refrained from placing orders; the Germans only regretted the fact. Deliveries of arms to China could not be made the subject of German-Japanese negotiations. But, since the situation was approaching a state of war, the deliveries of arms would cease in view of the German neutral attitude.²⁴

Germany's political ally, Japan, was driving Germany's good customer into the arms of the common enemy of the Anti-Comintern Pact countries, the U.S.S.R., and at the same time demolishing the carefully built structure of German trade in North China.

²³ibid.

²⁴Weiszäcker to von Dirksen, July 28, 1937, D.G.F.P., D I, 743.

At first, German trade losses were compensated by a boom in the arms trade with Chiang Kai-shek in South China, a provoking situation for Japan. In a few weeks the war wiped out most of the gains the German merchants had carefully made during the two previous decades. These merchants lost millions in contracts with the Chinese government when Japan had established her policy of monopolization of trade and resources. As Edgar Snow, an American correspondent, pointed out on his visit to China, "ninety per cent of the German businessmen were actually hostile to Hitler's Far Eastern policies."²⁵

Just after the conflict in September 1937, when Japan saw that she could not gain anything by protesting to the German Foreign Office or to Hitler, General Oshima went to see von Ribbentrop once more and mentioned a proposal for an early agreement on a joint program for Germany with Japan and China.²⁶ Stopping the trade and recalling the advisers were required for such an agreement.

In October 1937, a directive was issued to stop all deliveries of arms to China, but, on October 20, Colonel General Göring called on Colonel Thomas of the Ordnance Office and told him that after again getting in touch with von Ribbentrop it was decided to continue business with China in its present form. Field Marshal von Blomberg, in a letter to General Göring, explicitly stated that he, Blomberg,

²⁵Snow, 106.

²⁶Ribbentrop to Führer, Sept. 19, 1937, D.G.F.P., D, I, 758.

had given the order to the Army Office to continue business with China in the camouflaged form used up to that time. General Goring showed the German foreign minister the letter and observed that the 2,000,000 dollar credit would not be fully utilized. The merchandise was being delivered to a British firm in Singapore on Danish ships and the participants were enjoined to strict secrecy.²⁷

The Führer had a good bargaining point to force the Japanese to make a favorable agreement pertaining to China. Italy's inquiry concerning Hitler's readiness to comply with the Japanese desire for recognition of Manchuria was answered by the Führer in a note to the German foreign minister. The foreign minister was asked to inform the Italian ambassador that while the Germans were prepared in principle to recognize Manchuria, Germany had to refrain from setting a date. Also, Germany would require of the Japanese certain guarantees for Germany's trade not only with Manchuria but with any other Chinese areas Japan might occupy as well. On the other hand, Germany would have no objection if Italy, on the basis of the declarations exchanged with Japan on the occasion of recognition by Italy, independently recognized Manchuria.²⁸

During the latter half of 1937, although the Japanese foreign minister had attempted to gain German support for the conquest of China, representing that conflict as a struggle

²⁷Memo by Heyden-Lynsch, Oct. 22, 1937, D.G.F.P., D, I, 772.

²⁸MacKensen to Italian Embassy, Nov. 27, 1937, ibid., 786.

against Communism, German disapproval of Japan's activities in China remained undiminished. Germany had important interests in China and the Reichswehr also considered the Kuomintang as a potential ally against the Soviet Union. Germany elected to ignore the existence of hostilities and to regard herself as not bound by the rules of strict neutrality since neither China nor Japan had declared war.²⁹

On his trip to Berlin, Ambassador von Dirksen mentioned that: "on the river, the majority of the Chinese barges and junks were flying German, and also British colors--an astonishing sight which could only be explained by the fact that after the conquest of the city (Shanghai) by the Japanese, the Chinese colors had to disappear."³⁰

Although the delivery of German supplies to China was kept secret, the Japanese foreign minister, Hirota, claimed on February 4, 1938, that German arms were somehow finding their way into the enemy's territory.³¹ After the fall of Shanghai and Canton, German supplies were arriving by way of Siberia and the French Haiphon-Kunming railway.

Soon after the outbreak of the conflict between China and Japan, Hirota realized that Japan was dependent upon Great Britain and the United States for assistance in the economic development of China.³² To get Germany out of China or away

²⁹Int. Mil. Trib. for the Far East, 48,662-3.

³⁰von Dirksen, 182.

³¹Toynbee, 570.

³²Int. Mil. Trib. for the Far East, 48,738.

from the Chinese National Government, was the Japanese government's goal. The only way to do this would be to make Germany a partner on the Japanese side, or to pretend to be willing to make favorable trade concessions to Germany in case of a Japanese victory in China. Hirota did not mean to offer Germany more than a suggestion of a special advantage.³³

Hirota had closely circumscribed the limits within which Togo, the Japanese ambassador in Berlin, might make promises to the Germans. He intended to obtain from Germany the supplies and technical assistance which were so badly needed by the Japanese army in China. Perhaps he went too far with von Ribbentrop by proposing that, in return for German recognition of Japan's special position in East Asia, where possible, German interests would be preferred to those of other powers. In principle, Germany and Japan would occupy equal position in the Chinese market--although, in certain respects, a special position might accrue to Japan as the power responsible for the maintenance of the Chinese currency system. Nevertheless, in setting up any import or export control system, Germany's interests would certainly be preferred to those of any third power.³⁴

Perhaps von Ribbentrop had misunderstood Togo; in any case, the German ambassador was playing into Hirota's hands

³³Ibid., 48,662-3.

³⁴Ibid., 48,676-7.

when he told Oshima that Japan and Germany should collaborate more closely. Major General Oshima passed this information on to the Japanese general staff which agreed on the proposal in principle provided that the U.S.S.R. was made the primary object of the new alliance.³⁵

In another conversation between von Ribbentrop and Togo, the German ambassador acquainted the Japanese ambassador in general terms with the four points which were to form the basis for a confidential exchange of notes between the governments. The Japanese ambassador must have realized that he had offered too much; his government was now opposed to the plan for German parity with Japan, since if the most-favored-nation clause was later agreed upon, all other countries could demand this same parity.³⁶

The Japanese hint about a closer alliance brought von Ribbentrop's reply that Germany could understand the Japanese views pertaining to China and was prepared to consider any military and other special interests of Japan in Chinese territory. But Germany insisted on a certain measure of equality with Japan and a privileged position over other countries because of the Anti-Comintern Pact of 1936.³⁷

³⁵Ibid., 48,740.

³⁶Ribbentrop to Togo, April 8, 1938, D.G.F.P., D, I, 851.

³⁷Ibid.

Hitler's search for a closer alliance with Japan was due to the fact that the conflict between Japan and China was going badly for Chiang Kai-shek. In the early part of 1938, the Japanese army, sure of its victory in China, had renewed its attack and the Chinese army was gradually withdrawing.³⁸ In his speech of February 20, 1938, Hitler announced that Germany would seek closer relations with her ally, the Japanese nation. In the meantime von Ribbentrop had become the foreign minister in Germany and Hitler had consolidated his power in the Reichswehr in the upheaval created by the Nazis.

German relations with China steadily deteriorated after the failure of mediation in the conflict. There were rumors in China during the winter and early spring of 1938 that the Germans would withdraw their advisers and that the arms trade would be stopped. On April 27, 1938, Field Marshal Goring forbade the exportation of German war materials to China and the Association of Exporters was notified of the decision.³⁹

³⁸Mao Tse-tung, On Protracted War (Peking: Foreign Languages Press, 1954), 43, describes the conflict as a protracted war in the scheme of the Communist pattern of conquest of China, for he writes that the "first stage is one of the enemy's strategic offensive and our strategic defensive. The second stage is one of the enemy's strategic defensive and our preparation for the counter-offensive. The third stage is one of our counter-offensive and the enemy's strategic retreat."

³⁹Memo by Weichl, Apr. 28, 1938, D.G.F.P., D, I, 857.

Chiang Kai-shek tried once more to improve the relations with Germany, and Trautmann was asked to see the Chinese marshal to discuss the question of deliveries of war materials. Chiang stated that even Italy, with which China had most unsatisfactory relations, had not stopped the delivery of supplies already ordered. Only recently Italian tanks and planes had been shipped to China; besides, the barter agreement of 1936 had been in force for a long time.

It would, continued Chiang, be a great disappointment to China if Germany should discontinue deliveries. Despite the recognition of Manchuria, the Chinese National Government had tried to continue the old friendship. If Germany terminated the existing contracts when other powers were still making deliveries to China, the feelings of the Chinese people toward Germany would be affected very sharply. If the former relations continued, China was prepared to improve Germany's position in the economic and other fields.⁴⁰

In May 1938 the German advisers were recalled from China by Hitler; this was particularly regretted by the German merchants who feared that wide-spread anti-German reaction by the Chinese would result in a drastic loss of trade.⁴¹

⁴⁰Trautmann to Foreign Minister, May 9, 1938, Ibid., 582.

⁴¹New York Times, May 14, 1938.

On May 29, 1938, Hirota left the Japanese Foreign Office; however, at an earlier date he had laid down the principles which would determine the future policies for participation with the German and Italian governments in the economic field in China. The unchanging goal was the establishment of a new order in Asia in which the relations of both the Axis and Western nations would be governed by Japan. The relations with other governments would not be made by professions or pledges, but solely by the criterion of expediency.⁴²

Hirota intended neither to respect the treaty rights of the western powers nor to honor his own assurances that they would be preserved. He was careful to warn his subordinates that Germany and Italy could not be allowed a preferred position in China. The modes prescribed for German participation were limited to those most advantageous for Japan herself--namely, the supply of capital and of machinery upon credit with provision for sharing the management of particular enterprises.⁴³

The Japanese were not anxious to make an agreement on paper with Germany about China. The Japanese felt that an oral pro-memoria would do. In a conversation between von Ribbentrop and Togo early in June 1938, the proposal was made.

⁴²Int. Mil. Trib. for the Far East, 48,676-7.

⁴³ibid., 48,677-8.

Germany had done her part by stopping the arms trade and recalling the advisers from China. Togo referred to the previous conversations with the German foreign minister regarding economic cooperation between Germany and Japan in North China, and handed the German minister the pro-memoria; the Japanese ambassador remarked that it was not intended to be a formal treaty but merely a record of oral statements exchanged. Because it required a cumbersome procedure involving the Privy Council, it was not considered advisable to conclude a formal treaty. However, the assurances were backed up by the word of honor of the Japanese government. Regarding the document, the Japanese ambassador stated that it represented the maximum he had been able to obtain from Tokyo. Von Ribbentrop replied that he would have to examine the contents and that the Japanese ambassador would receive a communication regarding any changes desired. Togo declared his willingness to receive such proposals for amendment, but he did not believe that many more changes could be made in the text.⁴⁴

Von Ribbentrop also pointed out to the Japanese ambassador that the German services to Japan, the German losses in China, the inadequate Japanese cooperation, would be considered in drawing up the agreement. The following day the Japanese ambassador opposed the suggestion that the concessions be

⁴⁴Ribbentrop to Togo, June 2, 1938, D.G.F.P., D, I, 865.

applied to all parts of China under Japanese control and that Germany should receive better treatment than third powers.⁴⁵

All during June the discussions pertaining to the pro-memoria continued and the governments were deadlocked. Von Ribbentrop claimed that in return for Germany's recognition and assistance, Germany must receive generous treatment in regard to China. Togo replied, cordially and guardedly within the narrow limit of Hirota's policies, that Japan could not assure Germany, in a treaty, of better treatment than other third powers. The German foreign minister expressed dissatisfaction but hopefully concluded that Japan was prepared to offer in practice what she would not concede in categorical treaty form.⁴⁶

Von Ribbentrop was disillusioned with his ally. On July 24, 1938, the German Foreign Ministry received from its representative in China a detailed report upon the conditions in the occupied areas of that country. The exact opposite of the guarantees of the Japanese government in the Pro-memoria seemed to be happening to the German merchants in China. The Japanese authorities were practicing a systematic discrimination against German interests. Established German firms were

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⁴⁶Int. Mil. Trib. for the Far East, 48,740.

seriously injured by the preferences given to the Japanese firms.⁴⁷

The vaguely-formulated Japanese offer of "especially favorable treatment" was regarded inadequate by Germany; Japan appeared to be embarking upon a ruthless campaign to suppress foreign trade, including the German trade which was so badly needed by the German armament industry. On August 9, 1938, von Ribbentrop wired Germany's reasons for rejecting the Japanese pro-memoria.⁴⁸

Germany desperately needed to build up her armament industry and could use as much tungsten from China as she could get. Marshal Chiang Kai-shek, still without aid from Great Britain or the United States, needed materials to wage war against the Japanese. On September 1, 1938, another contract was signed by Germany and China for more arms and munitions. The Chinese Munitions Purchase Commission, which had stayed in Berlin during the German and Japanese negotiations, signed the contract.⁴⁹

⁴⁷Ibid., 48,741.

⁴⁸Ibid.

⁴⁹ Memo by Wiehl, June 2, 1938, D.G.F.P., D, 1, 867.

The Japanese government was so sure of victory in China that it thought it could reap the fruits of the Chinese economy and use that country in a war against the Soviet Union, and it felt no need to make concessions to other powers, even to its ally, Germany.

CHAPTER IV
DISAGREEMENT BETWEEN PARTNERS

Once Japan had secured from Germany the cancellation of the Sino-German war contracts and the withdrawal of German military advisers from China, Japan was no more anxious to give Germany a position of more advantage in China than any other power. Germany quickly sensed Japanese ingratitude and reacted to it. From July 1938 throughout the following year, Germany repeatedly complained against Japanese discrimination against German business by confiscation of property and other offenses. Even the pro-Japanese German ambassador in Tokyo, Ott, complained that in return for all the German efforts in the Sino-Japanese conflict on behalf of Japan, Germany was actually getting worse treatment than was accorded to Great Britain.¹

Not only did Japan damage Sino-German commercial trade relations and put the German merchants in opposition to her policies, but also her actions caused disagreement within Germany about the Führer's policies in the Far East. Dr. Schacht, the president of the Reichsbank and Economics Minister, had always been convinced of the importance of

¹Schroeder, 111.

trade with China. Schacht had almost succeeded in developing the Sino-German trade on a large scale by the time Hitler recalled the German military advisers and broke off trade relations with China. When Hitler had shown preference to Japan as the stabilizing force against Communism in the Far East, he interfered with Schacht's plans. The economics minister recognized the move as a fatal mistake, stating that Japan would never be able or willing to compensate Germany for the loss of trade with China.²

Japan kept up its relationship with the Germans through the agency of Major General Oshima, the Japanese ambassador in Berlin. His relationship was particularly close with Hitler and von Ribbentrop. The Japanese army influenced the Japanese cabinet and was a strong pressure group in internal as well as foreign policies. The army's power was demonstrated during a meeting on August 9, 1938, at which the proposal for a general alliance with Germany was considered. The cabinet was content to leave the matter of concluding the alliance in the hands of the military. Oshima was advised by the

²Civil Affairs Division, Trials of the Major War Criminals Before the International Military Tribunal, XII, (Washington, D.C.: Government Printing Bureau), 57.

Also, according to the War Department's, Nazi Conspiracy and Aggression, II, 739, Dr. Schacht had a fascinating career in the Third Reich. In 1933 he was recalled by Hitler to the presidency of the Reichsbank, minister of economics in August 1934, and in May 1935 general plenipotentiary for the War economy. He was reappointed to the Reichsbank in 1937 but dismissed in January 1938. He was dismissed from his job as economics minister in 1943.

Japanese army general staff that both the cabinet and the army were in favor of the von Ribbentrop proposal of a closer alliance with Japan, in which the Anti-Comintern Pact would be strengthened.³

Japanese rule in China became too much for Germany and, in the fall of 1938, Ambassador Ott in Tokyo presented a list of 126 investigated cases of damages suffered by German businessmen there. The cases had been reported individually by notes verbales, hitherto left unanswered, to the Japanese Foreign Ministry. The list pointed out the incomprehensible contrast between the Japanese attitude toward the British and German commercial claims. According to the statements in the press, Japan was promising Great Britain consideration for individual claims if the British modified their general attitude toward the Chinese conflict to reflect favor to Japan. The same, continued the note by Ott, was refused to Germany, even though this condition was long since fulfilled in practice on Germany's own initiative.⁴

The German ambassador in Tokyo reported on November 26 to the German Foreign Ministry that the Chinese had once more rejected the new Japanese proposals for peace and that there

³Int. Mil. Trib. for the Far East, 48,772.

⁴Ott to Foreign Minister, Nov. 7, 1938, D.G.F.P., D, IV, 690.

was no present possibility for peace in the Far East⁵ because the Japanese were trying to form a Chinese government themselves.⁶ The Japanese government had grown impatient in the hope of making a satisfactory settlement with Chiang Kai-shek. In the last few months the Japanese army had again made tremendous gains in China but still had not defeated the Chinese National Army which was retreating in space in order to advance in time--that is, yielding the area slowly and purposefully, in order to outlast the enemy and eventually gain victory.⁷

The war had become costly to both sides. It drained the resources and much of the war reserves Japan could have used against the Soviet Union, but no matter how bad the situation became for Japan, she could never make peace on Chiang Kai-shek's terms. The peace had to be on Japanese terms. In purchasing timboby the mile, the Chinese could not afford to yield intact cities, factories, communications, mines, docks, warehouses, and other businesses and goods. Such concessions would only profit

⁵Schroeder, 9, writes that the Japanese terms of November 1938 for peace with Chiang Kai-shek would have made China a vassal-state. Japanese troops would be stationed in Inner Mongolia and North China. Moreover, Japanese officials would supervise Chinese land and water communications, military and police organizations, raw materials for defense and currency, tariff and maritime customs administration. Chiang Kai-shek had rejected the proposals, demanding that the Japanese first must leave China.

⁶Ott to Foreign Minister, Nov. 26, 1938, D.G.F.P., D, IV, 693.

⁷Paul M. A. Linebarger, The China of Chiang Kai-shek (Boston: World Peace Foundation, 1941), 12.

Japan: hence the scorched earth policy.⁸ This type of warfare made both the regulars and guerillas effective against Japan and made each of them truly dependent upon the other.

While Chiang Kai-shek was practicing his scorched earth policy, the Germans were once more sending him war materials. The Germans were not accepting new orders but were willing to fill the old orders in substantial quantities. These shipments of munitions customarily proceeded via French Indo-China.⁹ In early 1939 the Chinese government hoped that it might be able to obtain further munitions from Germany and that the opportunity might occur to take advantage of the desire still existing among the German businessmen for commercial relations between Germany and China.¹⁰ Berlin was used by the Chinese government as a political observation post.

Also, in early 1939 there were some changes made in the German Foreign Office. Von Ribbentrop, the German foreign minister, had reorganized this office to such an extent that it was in a state of confusion. Von Hassell wrote in his diary:

he, von Ribbentrop, has still not received Ambassador Trautmann, who returned almost a half a year ago from China. He is no more inclined to listen to divergent views than his lord and master. The peace in the Foreign Office, it seems, borders on the unbearable; it is a frantic merry-go-round in which everybody's

⁸Ibid.

⁹Gilbert to Secretary of State, Jan. 7, 1939, U.S. For. Rel., 1939, III, 737.

¹⁰Ibid., 737-738.

nerves are getting frayed. Even the highest officials--with the possible exception of Weizsäcker, and he too in a limited extent--know nothing about the political objectives and general lines of policy.¹¹

Out of the reorganization came von Schmieden's removal as chief of the Far Eastern Division of the German Foreign Office.¹²

In February 1939 the Japanese ambassador was requested to visit the German foreign office. Von Ribbentrop explained to him that Germany was still waiting for the Japanese government's pro-memoranda about German-Japanese cooperation in China, in which Germany would receive a privileged position above the other powers in Japanese-occupied China. The Japanese government, however, did not want to go too far with Germany and was stalling. The Japanese ambassador replied that the chief obstacle now was the Japanese finance minister, who had been superseded in the recent changes in government. But the ambassador emphasized that he was optimistic about the situation since the Japanese foreign minister had recently been won over in favor of the pro-memoranda, and the German foreign minister knew that the Japanese army had always been in favor of it.¹³

Ott reported to Berlin that the Japanese were unwilling to commit themselves formally to a preferential position in China for Germany.¹⁴ But diplomats such as von Hassell saw a

¹¹Ulrich von Hassell, The von Hassell Diaries, 1938-1944, (Garden City, New York: Doubleday Company, 1941), 20. Apparently von Ribbentrop was trying to reorganize foreign policy and was removing officials opposed to his policies.

¹²Peck to Secretary of State, Feb. 2, 1939, U.S. For. Rel., 1939, III, 738.

¹³Memo by Wiehl, Feb. 6, 1939, D.G.F.P., D, IV, 700-01.

¹⁴Ott to Wiehl, Mar. 15, 1939, D.G.F.P., D, IV, 712.

possible solution to the Sino-Japanese conflict that could be accepted by either side. Von Hassell thought that the Japanese would tolerate southern China under Chiang Kai-shek if Japan could take a firm grip on the remainder.¹⁴ Although it remained to be seen if Chiang Kai-shek would agree to such a proposal, it was satisfactory for Germany because she could then draw the raw materials she needed from the southern part of China.

Because of the world situation in 1939, it was very important that Germany get raw materials for her armament industries. The German economics minister, who believed that Germany had more to gain through direct negotiations with Chiang Kai-shek than through a victorious Japan, sent a German businessman, Voigt, who had lived in Shanghai, to Chungking, the capital of Nationalist China. The Germans were pressing the Chinese to carry out the terms of the barter agreement of 1936 and avoiding the removal of some terms which the Chinese wanted dropped.¹⁵

China was in a difficult position to bargain with the Germans. Since the beginning of hostilities with Japan, China had not been carrying out the terms of the 1936 barter agreement except under a supplement negotiated a year after the original date of signature in which Germany had granted a cash credit

¹⁴von Hassell, 36.

¹⁵Peek to Secretary of State, Mar. 28, 1939, U.S. For. Rel., 1939, III, 661.

of 100,000,000 Reichsmarks for the purchase of war supplies. This credit was exhausted in March 1939.¹⁶

An agreement was reached even though Marshal Chiang viewed Germany with some disfavor since Hitler's action in ordering the military advisers back to Germany. The marshal had been most annoyed that Hitler had set a time limit for their departure under the threat of confiscating their property and depriving them of citizenship; this, Chiang regarded as humiliating.¹⁷

Another important factor in the negotiations for a new barter agreement was that it decreased in value even though the Germans were offering to accept Chinese raw material in payment for war equipment. Japan was making it increasingly difficult to export, though Manchuria over the Trans-Siberian railroad, the Chinese products desired by Germany. Also, the Germans refused to supply completely manufactured military equipment and would sell only that which could be assembled in China.¹⁸

Germany needed the barter agreement concluded in March 1939. Hitler pointed out in a meeting with Mussolini this need and outlined the situation on Germany's part: armaments were not ready and would not be ready for two more years;

¹⁶Peck to Secretary of State, U.S. For. Rel., 1939, III, 661. (Mar. 28, 1939).

¹⁷Ibid.

¹⁸Ibid.

the navy was lacking; Japan was too engaged to be able to give any effective aid.¹⁹

The German Führer was convinced that Japan could not be relied upon in the next war. In China, Japan had taken on too much. Hitler said in May 1939 that Japan was a weighty problem; even at first, Japan's collaboration with Germany appeared to be somewhat cool and restricted, but it was in Japan's own interest to take the initiative in attacking Russia.²⁰ Perhaps this was one of the reasons why Germany concluded the German-Soviet non-aggression pact in August 1939: Japan could do nothing at that time to help in a war against the Soviet Union.

Perhaps Japan knew the position she was in. The Sino-Japanese conflict had been a drain upon her resources and kept more than a million soldiers occupied. Hiranuma became premier in May 1939 and he took a fresh initiative toward Germany with a declaration in the form of a personal message to Hitler, expressing a desire for an agreement to strengthen the Anti-Comintern Pact. The offer was coldly received by the Germans because of the reservation made by Hiranuma that Japan was unable, at that time or in the near future, to extend to the Axis Powers any effective military aid.²¹ Hiranuma did promise that Japan would gladly support Germany under different circumstances. Von Ribbentrop asked whether, if the Germans

¹⁹Galeazzo Ciano, The Ciano Diaries, 1939-43, ed. by Hugh Gibson (Garden City, New York: Doubleday and Co., 1946), 50.

²⁰Trial of Major War Criminals Before the International Military Tribunal, Vol. II, 280.

²¹J. W. Ballantine, "Mukden to Pearl", Foreign Affairs XXVII (July 1949), 655.

and Italians went to war with another nation, Japan could be considered at war with that nation even though she could not provide any military aid.²²

The struggles within Hiranuma's cabinet continued. Referring to the unpredictable nature of developments in Europe and to Germany's immediate objectives, the opponents of Hiranuma's plan argued that Japan would not be capable of action for years to come. Japanese army circles repeatedly stressed Japan's extensive commitments in China and expressed the hope that, should the occasion arise, invocation of the German alliance would be delayed as long as possible.²³

Japan also had problems with Great Britain over the occupation in China. Anglo-Japanese tensions came to a head in the summer of 1939. In June of that year the Japanese foreign minister explained to Ambassador Ott that the rigid Japanese attitude of exclusion of all foreigners in China was part of a comprehensive move against Great Britain and China. The purpose of this move was primarily to win over the Chinese masses for a new central government which would be Japanese dominated. Japan was determined to set up the new government under the guiding hand of Wang Ching-wei. The negotiations were progressing favorably so that the formation of such a government in China could be expected

²²Ibid.

²³Ott to Foreign Minister, May 2, 1939, D.G.F.P., D, IV, 398-9.

soon. Ott was told that Japan hoped a military alliance with Germany (proposed by Hiranuma) might be concluded soon. Such an alliance would give support to the creation of the government of Wang Ching-wei. The Japanese foreign minister hinted that if Germany and Italy would recognize the new Nanking government under Japanese domination, it would be a painful blow to Chiang Kai-shek and the powers behind him.²⁴ The Germans, however, were hesitant about Japanese policies in China. As late as July 1939 the Germans openly gave evidence that they did not intend to put all of "their China eggs in the Japanese commercial basket."²⁵ The Germans contracted directly with China for the delivery of three Condor planes and of arms and ammunition, in exchange for some 20,000,000 Chinese dollars' worth of metals and ores from the southern part of China still under Chiang's control.²⁶

The Japanese brought much pressure in Berlin over Germany's trade relations with Chiang Kai-shek. The counsellor of the Japanese embassy, Usami, saw the director of the political economic department, Knoll, and said that there were still some factors disturbing German-Japanese economic cooperation in North China. For example, Germany's so-called Hapro agreement (the barter agreements between China

²⁴Ott to Foreign Minister, June 14, 1939, D.G.F.P., D, IV, 725.

²⁵Buss, 390.

²⁶Ibid. Also, Snow, 180, claims that the immediate result of the European war was to cut off Chungking's most important source of munitions: Germany. The Nazis, despite the Anti-Comintern Pact, supplied China with over 60 per cent of her munitions imports as late as July 1939.

and Germany) was causing a certain amount of disquiet in Tokyo. Usami would be grateful for more detailed information about the treaty: the sort of goods exchanged, the amount of credit, duration, etc. The Germans were apparently careless about the German-Japanese relations; Knoll wrote that he had given the information to Usami, but that he had emphasized that deliveries of war materials were excluded under the Hapro treaty.²⁷

This answer did not satisfy Usami and he wanted to know more about the two particular cases of alleged delivery of war material to China. One concerned the firm of Siemssen which was new to Knoll, and he promised to look into it; the other concerned the firm of Augsburg & Co., and Knoll replied that this was a Swiss firm and he could do nothing about it.²⁸

On August 25, 1939, on top of the German-Japanese strained relations, came the announcement that Germany and the Soviet Union had signed a non-aggression pact. This pact violated a secret agreement attached to the Anti-Comintern Pact of 1936, signed by Germany, Italy and Japan. This clause stipulated that no political treaty should be concluded with the Soviet Union without mutual consent.²⁹

The Japanese had always thought that their ally would never make an agreement with Soviet Russia because of the anti-Bolshevist views of the German Reichschancellor. The

²⁷Memo by Wiesel, Aug. 2, 1939, D.G.F.P., D, IV, 1045.

²⁸Ibid.

²⁹Herman Lutz, "Foreign Policy of the Third Reich", Current History XXVIII (April 1955), 234.

shock was a mortal blow to the Hiranuma cabinet which had maintained the idea of securing a strong military alliance with Germany against Russia.³⁰

China, however, was ready to take advantage of this change. The Chinese ambassador in Berlin expressed complete satisfaction at the conclusion of the German-Soviet Pact, and stated that his government was anxious to know if this would provide an opportunity to improve Sino-German relations. Von Weiszäcker put a damper on these hopes. The Germans did not intend to see their relations with Japan change as a result of the German-Soviet non-aggression pact; she desired peace in East Asia.³¹

Despite the difficulties Japan had with Germany in the beginning of World War II, Japan's main aim was still an early conclusion of the Sino-Japanese conflict. Ott reported to Berlin that the power which could aid Japan in the conclusion of the Sino-Japanese conflict might even obtain the abandonment of Japanese neutrality at a later phase of the war. The supporters of a pro-German policy saw the possibility of further cooperation against England, if Germany could dissuade the Soviet Union from supporting Chiang Kai-shek.³²

³⁰Ballantine, 656.

³¹Memo by Weiszäcker, Aug. 26, 1939, D.G.F.P., D, VII, 333. The Chinese ambassador was not told the real reasons for the German-Soviet non-aggression pact.

³²Ott to Foreign Minister, Sept. 8, 1939, D.G.F.P., D, VIII 28.

Von Weiszäcker, the German undersecretary of the Foreign Office, did not want to give up the idea of closer cooperation between Germany and China. He suggested that von Ribbentrop call Trautmann back to his post in the German embassy in Chungking, an action which would be very encouraging to the Chinese government. Von Ribbentrop replied on September 10, 1939, that "the Foreign Minister has decided that Ambassador Trautmann is to remain in Germany and that no change in our present line towards China can be considered."³³

The Japanese government took a neutral position after the fall of the Hiranuma cabinet because of the German-Soviet pact. Japan put Germany on equal footing with the other powers as far as China was concerned. On September 5, 1939, the Japanese government announced that it would not become involved in the European war; it expressed the desire that the German (French, British, etc.), government refrain from all measures which might be prejudicial to the position of Japan in the China conflict. It gave the belligerent powers friendly advice to withdraw their troops from all parts of China occupied by Japan, in which case the Japanese government would do everything in its power to protect the lives and property of the nationals of the belligerent powers.³⁴

³³Memo by Weiszäcker, Sept. 8, 1939, ibid., 32.

³⁴Memo by Knoll, Sept. 13, 1939, ibid., 57-58.

China was not completely discouraged by von Ribbentrop's answer to von Weizsäcker about the proposal to bring the two governments, Germany and China, closer together. In the fall of 1939 an unofficial feeler was received from a Chinese official, the counsellor of the Chinese embassy in Berlin, who suggested that if Germany would use her good offices, Chiang Kai-shek might be ready to settle the war in a manner favorable to Japan. In return for the mediation, Chiang Kai-shek would orient his policies toward Germany and against England. The German Foreign Office, however, refused to consider mediation. Since Japan was unreliable and might even line up with the West in a long war, the Germans believed it would be better to keep Japan weak and to leave her tied down by the stalemated war in China.³⁵

China was not through making proposals to Germany about closer cooperation. In November 1939 the prime minister of the Chinese government, Dr. Kung, who had personal control over the state monopoly of the production of tungsten and other metals, most of which was pledged to England and the Soviet Union and to America for repayment of a loan, told the Germans that he was, in principle, prepared to make the deliveries. Dr. Kung asked that before any concrete details were discussed with the other powers, Germany make a statement that payment

³⁵Schroeder, 114.

would be made by means of German deliveries of arms and ammunition (rifles, light and heavy machine guns, ammunition for light artillery and field guns). Kung had already refused cash payments from other powers. In case of a German consent to the proposal, Kung would be willing to "guarantee deliveries to Germany for the next 50 years."³⁶ Kung also hinted that he would even make use of the ores pledged to England and other countries in order to supply Germany, provided the arrangement was kept secret.

A few days later von Ribbentrop refused this proposal. On the other hand, he would be in agreement if important raw materials could be obtained from Chiang Kai-shek in exchange for other German products, such as pharmaceuticals.³⁷ Possibly von Ribbentrop refused because Germany was concentrating on defeating the allied powers in Western Europe, or he had hopes that Germany and Japan might get back together if a peace was made in the Far East.

When in January 1940 the Yonai cabinet took office, Japanese public opinion was gradually changing and again favored cooperation with Germany. The hostilities toward the Soviet Union had diminished; at least there had been no major border clashes between Russia and Japan. The pro-German group realized, however, that Japan could not intervene in Europe unless the China

³⁶ Memo by Bidder, Nov. 11, 1939, D.G.F.P., D, VIII, 397.

³⁷ Memo by Ritter, Nov. 17, 1939, ibid., 418.

conflict was settled and internal political discension resolved.³⁸ But the struggle in China had not been ended; Chiang Kai-shek was holding on in a stalemated war.

In China, Japan was playing each side against the other. Japan was still negotiating with Wang Ching-wei for Japanese recognition of his regime and there was hope that Chiang might yet come to terms. Japan was attempting to bring about a reconciliation with Chiang either directly or through the Wang regime.³⁹ As much as von Ribbentrop wanted to have a strong Japan on the side of Germany (which could happen if the Sino-Japanese conflict ended), he instructed the German diplomats to remain completely reserved if the question of the Wang Ching-wei recognition was brought up.⁴⁰

On March 30, 1940, Japan finally created the regime of Wang Ching-wei. The Japanese thought this would be the ruin of Chiang Kai-shek, but the Chinese marshal stubbornly fought on.

Also, in the spring of 1940, the situation changed in the European world. The fall of France and the Netherlands, and the seemingly imminent defeat of England, created for Japan an opportunity to turn from China, where she was bogged down, into Southeast Asia.⁴¹

³⁸ Int. Mil. Trib. for the Far East, 48,935.

³⁹ ibid., 48,912.

⁴⁰ Ribbentrop to embassies in Japan and China, Mar. 30, 1940, D.G.F.P., D, IX, 54.

⁴¹ Schroeder, 14.

The Japanese saw their chance in Indo-China. Most of the Russian munitions went into China either through Burma or Indo-China, and Japan was anxious to close the Yunnan railway. When the British later agreed to close the Burma road, China was left with one free route of supply--the desert route from Russian Turkistan.⁴²

On June 12, 1940, Japan strengthened her position in the Far East by concluding a non-aggression and friendship pact with Thailand, whose territories were adjacent to the eastern frontier of French Indo-China. On the same day, the Japanese South China armies, stationed near the frontier of Indo-China announced that the greater part of the weapons and war materials which China purchased abroad were still being transported to Chungking via the Yunnan railway. The announcement stated that such action by the French Indo-Chinese authorities in aid of Chiang Kai-shek's regime could not be overlooked.⁴³

Japan secured an agreement in June from the French to close the northern Indo-China border. Not only was the closing of the border profitable to Japan but she also secured bases in Indo-China for the war against China. After having won this victory from France on the day of the armistice, the Japanese army was now ready to conclude the war in China. German successes in Europe offered Japan remarkable opportunities in southeast Asia.

⁴²Snow, 180-81.

⁴³Int. Mil. Trib. for the Far East, 48,922-3.

CHAPTER V
"THE CHINA PROBLEM"

In the summer months of 1940, the Japanese suddenly realized that German occupation of the Netherlands and France, and the apparent inability of England to do anything in the Far East, gave them an excellent opportunity to expand their Co-prosperity Sphere to the southeast. The war in China had drained from Japan most of her war reserves and kept her army fighting in a stalemated war. The "fruits" of the southeast were ready for plucking.

At this time, too, the Germans became anxious to defeat Great Britain; they thought that if England had to fight a Pacific war it would be too much for her and she would sue for peace. On the other hand, Japan could not move against Great Britain by attacking Singapore unless the war in China were stopped. Thus, both were anxious that some kind of solution be found for "the China Problem."

Already in the spring of 1940, the Japanese foreign minister, Sato, and ambassador to Germany, Oshima, had visited von Ribbentrop. The Japanese had assured von Ribbentrop that they wished to allow Germany economic opportunities in China. It had been Japan's policy to be

the host in China with the other powers as guests. The Japanese claimed that this policy had caused them to struggle for years against the influence of such countries as Great Britain, France and the United States. With German economic assistance, Japan would succeed in her revolt against the nine-power treaty system, settle the war in China, and eliminate her dependence upon the United States.¹

But in the spring of 1940, von Ribbentrop was not anxious to make a stronger alliance with Japan, and he was fully aware of the political developments within Japan. The German foreign minister replied cautiously that he welcomed Japan's desire to cooperate, but he gave the impression that Germany, now confident of victory in Europe and peace with England, no longer attached great importance to assistance from Japan in the war against England. The German foreign minister declared that new opportunities for cooperation would arise, but at this time he declined to say anything definite on the grounds that he was unfamiliar with Japan's political aims.² It did not seem fair to the German Foreign Office that although Germany had made enormous economic sacrifices in China for Japan and since the war had insisted upon a neutral role, Japan would come now and ask for an alliance.

¹Int. Mil. Trib. for the Far East, 48,947.

²Ibid., 48,948.

The actual problem for Germany and the other powers was that Japan considered herself to be master in China. Japan wanted to control all foreigners regardless of nationality but, at the same time, she was technically and economically unable to take over China. The Japanese had interfered with the Chinese trade, which was so desperately needed by Germany. Goods had been bought by Germans to be transported over the Trans-Siberian railway but did not get beyond Manchuria.³ Because of this action by Japan, the Germans were cool toward the Japanese proposal of a military alliance. In the spring of 1940, a change of Germany's attitude would only be possible through political pressure, the strength of which would depend on her military position against England.⁴

Then opportunity arose. Germany had defeated the British Expeditionary Forces and was now involved in "Operation Sea Lion." The German planners thought England would weaken if Japan could be induced to attack Singapore; it was almost impossible for England to fight a war in the Atlantic and Pacific.⁵

Then came a note from Ott, the German ambassador in Tokyo, saying that due to the recent military successes of Germany and

³Unsigned memorandum, July 26, 1940, D.G.F.P., D, X, 324.

⁴Ibid.

⁵William L. Shirer, The Rise and Fall of the Third Reich (New York: Simon and Schuster, 1960), 873. Shirer reports that this viewpoint was taken by Hitler when he ordered (in a directive of March 5, 1941), that Singapore should be attacked. It could very well be that this had been the German viewpoint since before Operation Sea Lion.

the closing of the Burmese and French Indo-China borders, Japan was no longer interested in third power mediation for a peace in China. The German victories had raised Japanese ambitions for an advance into southeast Asia.⁶

Japan, however, had already been on the move in southeast Asia. Japan and Vichy-France had concluded the Matsuo-Henry agreement of August 30, 1940, after the closing of the borders in Burma and Indo-China. According to the agreement, the occupation of Japanese troops in French Indo-China was to be temporary, was to be solely for action against China, and would be limited to Tonkin Province.⁷

In early September Germany and Japan finally met to discuss a military alliance. The moderates in Japan were in favor of the pact, to be concluded very soon, because it would help Japan settle the China "incident" by discouraging the Western powers from aiding Chiang Kai-shek and would pave the way for an adjustment of relations with Russia, thus leading to an advance into southeast Asia, which was rich in raw materials Japan needed.⁸ Also, Konoye felt that a Japan-Axis alliance would restrain the United States

⁶Ott to Foreign Minister, July 27, 1940, D.G.F.P., D, X, 329-330.

⁷Int. Mil. Trib. for the Far East, 49,449. It should also be remembered that Vichy-France could have been influenced by Germany.

⁸Schroeder, 21.

from intervening in Europe; thus Japan would be helping Germany in the war besides permitting a settlement in China.⁹

Negotiations between Germany and Japan for the conclusion of the tripartite alliance progressed rapidly. On September 21, 1940, the emperor was informed of the belief that if the alliance was concluded, Japan would eventually have to oppose Great Britain and the United States; therefore, the war with China should be settled speedily.¹⁰

On the same day (September 27, 1940) that the Tripartite Pact was concluded between Germany, Italy and Japan, Premier Konoye made the following statement to the Japanese people in a radio broadcast: "We face an emergency unprecedented in our history. Enforcement of the treaty may become necessary During the past three years Japan has made tremendous sacrifices and lost many loyal soldiers. Prolongation of the China war . . . has made life difficult."¹¹ The "China Problem" had lasted too long for Japan.

A foreign policy outline was prepared by the Japanese government. The new policy provided that an effort must be made to realize the general peace between Japan and China.¹²

⁹Ikles, 165.

¹⁰Int. Mil. Trib. for the Far East, 48,999.

¹¹Frieda Utley, "Japan's Great Bluff", Nation CLI (October 12, 1940), 321.

¹²Int. Mil. Trib. for the Far East, 49,297.

A complete strategical plan was formulated soon after the conclusion of the Tripartite Pact. The Japanese government made an attempt to effect a settlement with Chiang Kai-shek and to employ his troops. As a reward, China's army would be allowed to annex the Tonkin Province in French Indo-China as well as northern Burma.¹³ The military action in the southeast against Singapore was to begin upon settlement with Generalissimo Chiang Kai-shek or upon Germany's invasion of England, whichever occurred first. In the event that neither occurred, the action was to commence when Germany had achieved some substantial military successes.¹⁴

The Germans, at the conclusion of the Tripartite Pact, tried to help the Japanese with their negotiations for a conclusion of the Sino-Japanese conflict. They were well aware that the conflict was a stumbling block for Japan, and a weak Japan was of no value to Germany. Ambassador Ott reported to Berlin that on the occasion of a celebration of the Japanese-Italian-German Friendship Society, he had received reasonable assurance that an agreement would soon be reached between the regime of Chiang Kai-shek and Wang Ching-wei. After the contacts had been made, conduct of further secret negotiations was transferred to the Japanese foreign minister. The foreign minister had not yet informed

¹³Int. Mil. Trib. for the Far East, 49,426.

¹⁴ibid., 49,297.

Ott about the details of the intended agreement, but he remarked that as a last resort he would ask the Reich's government if he could count on it for support. However, the Japanese foreign minister emphasized that he could obtain his objective without German help.¹⁵

The new Japanese minister appointed to Bern had arrived in Berlin and informed the Japanese ambassador that Matsuoka intended to take personal steps with Chiang Kai-shek in order to bring about a settlement of the Sino-Japanese conflict. The Japanese foreign minister was perhaps too optimistic when he told Ott he would not request German help; The Japanese failed to make an agreement with Chiang. The German government was asked to suggest to Chiang Kai-shek that Japanese recognition of the Wang Ching-wei regime was imminent. Japan had once again demanded too much, for she wanted peace on her terms and not Chiang's.¹⁶

Germany tried to mediate when it became increasingly important that Japan move against England. Von Ribbentrop contacted the Chinese ambassador. Mentioning that relations between Germany and China had been very good for a long time, the German foreign minister said he was convinced of a German

¹⁵Ott to Foreign Minister, Oct. 8, 1940, D.G.F.P., D, XI, 269.

¹⁶Ott to Foreign Minister, Nov. 7, 1940, ibid., 491.

victory and he took a personal interest in the situation in the Far East, including the first prospects of termination of the Sino-Japanese War. Von Ribbentrop's real reason for wanting the Sino-Japanese War concluded was that the Japanese government would probably recognize the Wang Ching-wei regime in the near future; Japan's action would presumably result in similar recognition by Germany and Italy. Now von Ribbentrop wanted to know Chiang Kai-shek's viewpoint. The Chinese ambassador said that in his opinion the government would certainly be interested in a speedy conclusion of the conflict, which had already been going on for forty months. The Chinese ambassador personally believed that there was no use in fighting any longer. However, for the marshal, the prerequisite was still the unconditional evacuation of Japanese troops from Chinese soil.¹⁷ Japan recognized the regime of Wang Ching-wei. This recognition destroyed any possibility of an agreement between Chiang Kai-shek and Japan.¹⁸

Von Ribbentrop made one more try to mediate in the Sino-Japanese conflict. He called the Chinese ambassador to the German Foreign Ministry and told him that since the visit of Molotov in November 1940, the German government felt that it would be to the interest of China to bring an end to the

¹⁷Memo by Stahmen, Nov. 11, 1940, ibid., 515.

¹⁸Int. Mil. Trib. for the Far East, 49,428.

conflict. The German foreign minister dwelt upon the European situation, saying that he felt certain the Germans had won hegemony in Europe and was certain that the European war would be terminated by the end of the year. Germany would unite Europe. When this was accomplished, China could no longer expect assistance from Britain or the United States. Von Ribbentrop suggested that this was China's last opportunity to come to terms with Japan; otherwise, the Japanese would recognize Wang-Ching-wei. Italy was ready to recognize this regime and Germany, being a member of the Axis, would follow. Von Ribbentrop expressed the hope that China would make terms with Japan and that China would join the Axis. Germany would guarantee the fulfillment of the Japanese peace terms.¹⁹

The Japanese situation in China offered very little favorable news in the winter and spring of 1941. Chiang Kai-shek was holding on with American and British aid. Matsuoka came to Berlin and Rome to discuss the Japanese movements in the southeast; Germany wanted Japan to attack England. The situation had grown worse for Germany as England was not yet defeated nor was there peace between China and Japan.²⁰ At

¹⁹Johnson to Secretary of State, Nov. 20, 1940, U.S. For. Rel., 1940, IV, 436. This information also agrees with the statement by Dr. Schmidt, Hitler's Interpreter, ed. by R.H.C. Steed (New York: The MacMillan Co., 1951), 213, for von Ribbentrop on November 12, 1940, said at the end of a discussion with Molotov that he would like to mediate between Chiang Kai-shek and Japan.

²⁰Von Hassell, 173.

the same time, Hitler was holding off recognition of the Wang Ching-wei regime--perhaps to get Japan to attack Singapore. The German Foreign Office stated that the German government recognized the regime of Chiang Kai-shek in the same manner as Japan continued to maintain relations with the refugee government of Holland.²¹

Even the pro-Chinese in Germany under the Hitler regime were heard: Dr. Schacht informed the Chinese government that, in order to avoid possible intervention by the United States in the European war, Germany would be prepared to abandon Japan and to effect rapprochement with China. The Chinese government refused and reported the scheme to President Roosevelt, with whom Chiang enjoyed close relations at this time.²²

In July 1941, Germany finally recognized the Japanese-dominated regime of Wang Ching-wei in Nanking. This meant the complete break between Chiang Kai-shek and Germany had come. "The sacrifice," wrote von Weizsäcker, "on our part was immense and for it we received no thanks from Japan."²³

It was not until January 1942 that the pro-German regime of Chiang Kai-shek gave recognition to the argument that Hitler must be defeated first and then Japan.

²¹Johnson to Secretary of State, Nov. 20, 1940, U.S. For. Rel., 1940, IV, 436.

²²Grew to Secretary of State, June 13, 1941, U.S. FOR. Rel., 1941, IV, 975.

²³von Weizsäcker, 256.

Thus, the friendly relations between Germany and China, so carefully built since 1919, had come to an end. Chiang Kai-shek with his pro-German sympathies and the potentials of his country could have been a more faithful and successful ally than Germany's ally Japan.

CHAPTER VI

CONCLUSION

The eventual breaking of relations between Germany and China was only one of the major mistakes Hitler made as the Führer of the Third Reich. If he had followed the advice of his generals in the latter part of the 1930's or even in the early part of the 1940's, World War II might have turned out differently for Germany.

The Reichswehr had always been in favor of closer relations between Germany and China. The German generals looked upon China with its millions of people as an unlimited source of manpower and its tremendous territory as an unlimited area for military operations, in which many Russian divisions could be tied up by the Chinese Nationalist Army. Also, in case of war with Russia, China could prove to be an unlimited source of raw materials for the German war industry.

Because of the increasing threat of Bolshevism, the Reichswehr wanted closer relations with China and hoped for Hitler's cooperation. With this Bolshevik threat in mind, the Reichswehr became increasingly interested in rebuilding the Chinese National Army under the leadership of Marshal Chiang Kai-shek. In fact, the Reichswehr made great plans

for China. Large contracts were made with Chiang for submarines and airplanes. The newest type of submarines were on the drawing boards in Germany and were intended to be shipped to China. The German armament industry was profiting by developing the new plans which would help to keep up with the demands of a modern army.

The interest of the Reichswehr was so great that F. F. Liu was only moderately estimating the size and extent of the Chinese capabilities if the Sino-Japanese conflict had been delayed for two more years in saying that China might have had 60 German-trained divisions to throw against the Japanese invaders. In the air, Messerschmitt and Stuka planes would have carried Chinese markings and, under the sea, Chinese-manned U-boats would have harassed Japanese shipping in the Pacific Ocean.¹ Such a force would have been formidable; this build-up of arms could have been one of the reasons that the Kwantung Army decided to strike against Chiang before the Chinese became too powerful for Japan. The Chinese Nationalist Army, with obsolete weapons, was still able to keep a Japanese army of more than a million men busily occupied fighting.

The conclusion of the Anti-Comintern Pact was misunderstood by Japan which was sure of German backing in case of a conflict with China. And if Hitler had not signed the Anti-Comintern

¹F. F. Liu, 102.

Pact with Japan in 1936, but instead helped China with more advisers and more war supplies, the Japanese might have refrained from attacking and Hitler would have had a tremendous force on the Russian frontier which might have helped the German army in the Russian campaign of 1941; Hitler could count on the loyalty of Chiang Kai-shek.

Only Hitler and von Ribbentrop were responsible for seeking an alliance with Japan. To a great extent, von Ribbentrop was influenced by General Oshima, who perhaps put the thought of encirclement into the mind of the German foreign minister. However, it was Hitler who saw Japan as the "fortress" against Bolshevism in the Far East. Hitler claimed that Japan was actually in the same position in the Far East as England in Europe. Japan could more easily control the continent than China, and from this geopolitical concept the disagreement with the departments such as the Reichswehr, the Economics Ministry, and the Foreign Office grew. Hitler's opposition thought that it was China which was the strongest in Asia. It must be understood, however, that it was not the objective which brought about the disagreement, but the means of attaining that objective.

Also, the minor officials of the German government were not the only ones in opposition to the Far Eastern policies of Hitler, but the many Germans who profited from the Sino-German trade were also opposed to the idea of a Japanese policy above a China policy. It is true that Kurt Bloch estimated

that there were about 4500 German citizens in China, but these Germans in China were not alone in turning the German press toward a neutral attitude in the conflict for they received great assistance from Citizens inside Germany. Many Germans realized that a Japanese-led China would impose many hardships on the Sino-German trade.

The reason for Chiang's willingness to accept the German assistance was that the Chinese Nationalist Army was engaged in consolidating the power of Chiang. Chiang Kai-shek was involved in unifying the Chinese Republic under his leadership, and he needed foreign investment and trade to develop China as a modern power. The foreign powers, such as the United States and Great Britain, failed to give Chiang favorable trade agreements while Germany was willing to develop her foreign trade at almost any cost. At first, when Hitler came to power in Germany, it seemed that both he and Chiang had a common goal in opposing Bolshivism. Chiang had already waged many campaigns against the communist forces in his country; this was the actual reason for the Reichswehr backing of Chiang. The Reichswehr could look forward to a pro-Chinese policy by Hitler. When Hitler signed the Anti-Comintern Pact in 1936, the German general staff opposed it vigorously but they lost the struggle in the von Brauchitsch-Fritz case of 1938.

The immediate result of the von Falkenhausen mission in favor of the Germans was that many of the Chinese German-trained officers spoke German and had pro-German sympathies. The hearts of these Chinese officers were not with the British or Americans in World War II, but with the Germans whose thoughts and actions they knew so well.

The Japanese saw that the occupation of China by Japan was a necessity. The Japanese feared that a Chinese army under the program of the Germans might become much too powerful. The Kwantung Army must have feared that eventually, if the build-up of the Chinese army continued, Chiang Kai-shek might even think of retaking the Chinese territories previously taken away from China, or, even worse, that the Chinese National Army might drive the Japanese army off the Asian continent. Japan's future was in danger if she did not occupy all of China.

The stalemated war in China was perhaps one of the major obstacles which caused the downfall of the Third Reich. Japan wanted to make an end to the Sino-Japanese conflict on her terms first, before she attacked Singapore. It was not until the summer of 1940 that the Japanese army and navy saw their chances slipping if they did not attack southeast Asia. After Japan had successfully occupied the rich southeast, she could proceed with the war against Russia. Japan proved to be a stubborn ally in 1941 when Hitler wanted her to attack both Singapore and Vladivostok.

Choosing the wrong partner in the Sino-Japanese conflict was one of the causes which eventually led to the fall of the Third Reich. If Hitler had chosen Chāng Kai-shek instead, the war might have turned out very differently for him.

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The exciting diaries of Count Galeazzo Ciano and Ulrich von Hassell give the viewpoints of the diplomats and statesmen who did not completely agree with Hitler's foreign policies or those of von Ribbentrop. Former German ambassador to Tokyo, von Dirksen, merely relates his adventures in the German Foreign Ministry while Ernst von Weizsäcker, former undersecretary of state, wrote very apologetic memoirs; however, as personal stories both were important sources of information.

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Germany's Master Plan by Borkin gives an accurate picture of the need for raw materials by the German industry. Kurt Bloch, in the German Interests and Policies in the Far East, furnishes an excellent account of the trade, military missions and problems between Germany and China before 1938.

F. F. Liu's work, A Military History of Modern China, 1924-1949, gives an excellent description of the problems of the Chinese National Army and the work of the German military advisers from a strictly military viewpoint. Gordon relates the struggle within the Reichswehr from 1919-1926 while The Nemesis of Power by Wheeler-Bennett and Sword and Swastika by Taylor fill the gap where Gordon leaves off. Mao Tse-tung, The Protracted War, gives the theories of guerilla warfare employed by Communist forces against Japan but it is only theory.

General Rabreau gives an excellent account of von Seeckt's life, especially describing his trip to the Far East. Bullock's book is good reading for general background of Hitler's Germany while Schwarz apologizes quite often for the German foreign minister von Ribbentrop. Another apologetic account is given by Togo in his relating of Japanese diplomacy just before and during World War II.

Ikies' diplomatic works give an excellent account of the German-Japanese relations from 1936 to 1940, in particular, the mediation proposals. The Axis Alliance and Japanese-American Relations, 1941, by Schroeder is another excellent work on the problems between Germany and Japan over China. Buss tries to give an accurate account of the war and diplomacy in the Far East but he wrote too soon for all the facts to be known and he has since been proved wrong in some instances. Frieda Utley's book, China at War, gives the account of a prejudiced reporter. Snow also tries to account for the conflict.

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feelings of the Reichswehr about the conflict. James T. C. Liu, in his article "German Mediation in the Sino-Japanese War, 1937-38" is concerned with German anxiety about the war. Owen Lattimore gives an excellent account of the military phase in China including the criticism made by the German advisers about the Japanese conduct of the war.

Ballantine writes about the struggle between Japan and Germany while Mr. Lutz describes the foreign policies of the Third Reich during the war years and the attempts by Germany to get Japan out of the China problem. The China Weekly Review appears to overrate the activity of the German advisers in China while reporters such as Frieda Utley tried to criticize the Germans on this same activity.

The China Yearbook and the China Economic Annual both contain a good deal of statistical evidence of the trade between China and Germany.

APPENDIX I

Advisory Staff Nanking (China)

Maximum personnel
in October 1935: 43 officers and various civilian officials

Total personnel
in August 1937: 30 officers and various civilian officials

Total personnel
in April 1938: 20 officers and 9 civilian officials

LIST OF GERMAN ADVISERS AS OF APRIL*1938

The advisers are employed by the Chinese government under private contract.

| RANK | | NAME | SINCE WHAT YEAR IN CHINA | DURATION OF CONTRACT |
|------------------------|---------|-------------------|-----------------------------|-------------------------|
| General of Infantry | retired | von Falkenhausen | 1934 | ? |
| Lt. Gen. | " | Streccius | 1934 | 1940 |
| Maj. Gen. | " | Starke | 1933 | 1939 |
| Col. | " | Nolte | 1931 | 1939 |
| Col. | " | Wilck | 1932 | 1940 |
| Lt. Col. | " | Voigt-Ruschenweyh | 1933 | 1939 |
| Lt. Col. | " | Newiger | 1935 | 1939 |
| Lt. Col. | " | Aderholt | 1936 | 1940 |
| Major | " | Baumbach | 1933 | ? |
| Major | " | Heinrichs | 1934 | 1939 |
| Major | " | Brundel | 1933 | 1938 |
| Major | " | Lindemann | 1934 | ? |
| Capt. | " | Krummacker | 1929 | 1939 |
| Capt. | " | Meyer | 1929 | 1939 |
| Capt. | " | Baron von Stein | 1931 | 1941 |
| Capt. | " | Stennes | 1933 | 1939 |
| Capt. | " | Arnade | 1936 | 1939 |
| Capt. of Cav. | " | von Boddien | 1931 | 1938 |
| 1st Lt. | " | Bauer | 1930 | 1939 |
| 1st Lt. | " | Boegel | 1932 | 1938 |
| 2nd Lt. | " | Hummel | 1928 | 1939 |
| 2nd Lt. | " | Stolzner | 1928 | 1939 |
| 2nd Lt. | " | von Schmeling | | |
| | | Diringshofen | 1934 | 1939 |
| 2nd Lt. | " | Borchardt | 1935 | 1939 |

In addition, the following advisers who are not active as officers

| | | | |
|-------------------------------|----------|-----------|------|
| Armorer-artificer | retired | Bautz | 1939 |
| Chief horseshoer | " | Bernhardt | 1939 |
| Ordnance sergeant | " | Heinrich | 1939 |
| Shop foreman | " | Kubik | ? |
| Reserve 2nd Lt. | engineer | Lohmann | 1939 |
| Armorer-artificer | retired | Martin | ? |
| Sergeant | " | Pohle | ? |
| Chief government inspector | " | Senczek | 1939 |
| Mess sergeant | " | Scholz | 1939 |

In addition (not under chief adviser):

| | | |
|------------------|----------|------|
| Lt. Col. Reserve | Lebsanst | 1939 |
|------------------|----------|------|

HAPRO¹

¹Unsigned document, April 26, 1938, D.G.F.P., D, I, 853.

APPENDIX I I

1. The contracts for deliveries of war material to the Chinese government amounted to:

64,581,000 Reichsmarks in 1936, and
60,983,000 Reichsmarks in 1937.

The contracts signed in 1937 included the following types of war material:

| | <u>Reichsmarks</u> |
|---|--------------------|
| Machine guns up to 2 cm. | 13,447,700 |
| Guns up to 15.5 cm. | 4,491,000 |
| Antitank guns | 1,655,000 |
| Anti-aircraft guns | 167,800 |
| Powder, demolition charges, igniting charges | 19,236,600 |
| Rifle cartridges | 7,047,700 |
| Artillery ammunition | 32,500 |
| 2 cm. ammunition | 6,337,900 |
| Aerial bombs | 54,400 |
| General optical equipment | 116,000 |
| Range finders and sights | 1,255,900 |
| Searhlight equipment | 121,000 |
| Armored reconnaissance cars | 7,019,000 |
| Airplanes | <u>60,983,500</u> |

2. The deliveries of war material to China amounted to:

23,748,000 Reichsmarks in 1936, and
82,788,600 Reichsmarks in 1937.

The war material delivered in 1937 may be broken down as follows:

| | <u>Reichsmarks</u> |
|---|--------------------|
| Rifles, carbines | 148,369 |
| 2 cm. machine guns | 1,170,000 |
| Guns up to 15.5 cm. | 9,332,757 |
| Anti-aircraft guns | 5,075,000 |
| Antitank guns | 3,300,630 |
| Powder, demolition charges, igniting charges | 450,804 |

| | |
|----------------------------------|-------------------|
| Rifle ammunition | 30,718,691 |
| 2 cm. ammunition | 1,976,600 |
| Artillery ammunition | 15,421,700 |
| Bombs | 6,339,475 |
| Range finders and sights | 105,888 |
| Data computers and oscillographs | 292,162 |
| Searchlights | 1,325,528 |
| Tanks | 900,000 |
| Armored reconnaissance cars | 661,000 |
| Airplanes | 2,570,000 |
| Navy craft | 3,000,000 |
| | <u>82,788,604</u> |

3. The above data is taken from the annual report for 1937 of the Association of Exporters of War Material (Ausfuhrgemeinschaft fur Kriegsgerat, A.G.K.)

The annual report does not reveal what particular models of guns, planes, tanks, etc., the contracts or deliveries concerned. Inquiries are being made on this subject.

To be transmitted to the Foreign Minister through the State Secretary.¹

Wiehl

¹Memo by Wiehl, April 26, 1938, D.G.F.P., D, I, 852.

APPENDIX III

Memorandum by the Second Secretary of the U.S. Embassy in France:

September 2, 1938:

Since the beginning of the Sino-Japanese War there has been a Chinese Munitions Purchase Commission in Berlin. I have seen this morning a memorandum sent by it to the Chinese Embassy here giving terms of a German offer for the sale of a quantity of munitions for immediate delivery to the Chinese government. This stuff is urgently needed. The memorandum is dated September 1, 1938. The material offered for sale consists of:

1. 120 75 mm. field pieces at approximately 4,000 pounds sterling apiece.
2. Shells for above.
3. 60 105 mm. field pieces (presumably howitzers) at approximately 5,000 pounds sterling apiece.
4. Shells for above.
5. 100,000 Mauser rifles and ammunition at 14 pounds sterling apiece.

The material is all new and of the most recent models calculating from the above figures, it will be noted that the total order would amount to over 11 million dollars. Terms are 25 per cent cash and the rest credit, f.o.b. Rotterdam. The Munitions Purchase Commission is presently engaged in trying to make arrangements to get together the necessary cash, approximately 3 million dollars.

L(aurence) H(iggins)¹

¹Memo by Higgins, Sept. 2, 1938, U.S. For. Rel., 1938, III, 606.

APPENDIX IV

The Foreign Trade Shown by China and Germany
(Table in Million Standard Dollars)

Imports from: Germany

| | | |
|------|-------|-------|
| 1936 | 150.1 | 16.0% |
| 1937 | 146.3 | 15.4% |
| 1938 | 112.9 | 12.8% |
| 1939 | 67.2 | 6.5% |
| 1940 | 55.0 | 2.7% |

Export to:

| | | |
|------|------|-------------------|
| 1936 | 39.1 | 5.5% |
| 1937 | 72.4 | 8.7% |
| 1938 | 56.4 | 7.4% |
| 1939 | 45.1 | 4.4% |
| 1940 | 4.1 | 0.2% ¹ |

Vessels Entered and Cleared by Flags in Chinese ports:

| | <u>No.</u> | <u>1,000 tons</u> |
|------|------------|-------------------|
| 1936 | 527 | 2,624 |
| 1937 | 413 | 2,089 (a) |
| 1938 | 829 | 2,646 (b) (d) |
| 1939 | 743 | 2,127 (c) |
| 1940 | 422 | 312 (c) (d) |

Note:

(a) Domestic shipping figures for Wuhu, Nanking, Chinkian and Soochow not obtainable owing to local hostilities.

(b) Domestic shipping figures for Kiukiang now obtainable owing to local hostilities.

(c) Excluding domestic movements of Chinese junks.

(d) Domestic figures for Ichang not received.²

¹The China Economic Annual, 1941, Publishers: The Asiatic Statistics Co., Tokyo, Japan, 101.

²Ibid., 102.

The export of eggs and egg products in 1934-1935

| Exported to: | 1934 | 1935 |
|-----------------|---------------------|-----------------------------------|
| Great Britain | \$18,946,292 | \$ 18,480,314 |
| U.S. of America | 1,479,535 | 4,980,910 |
| Germany | 2,603,631 | 2,843,208 |
| Hongkong | 1,693,757 | 1,490,488 |
| Netherlands | 1,499,159 | 1,171,741 |
| France | 899,116 | 769,699 |
| Belgium | 1,082,382 | 765,316 |
| Japan | 581,873 | 408,246 |
| Phil. Islands | 281,557 | 331,262 |
| Italy | 530,011 | 235,585 |
| Other countries | 709,695 | 601,965 |
| | <u>\$30,247,109</u> | <u>\$ 32,081,734</u> ¹ |

The tea trade with Germany was in 1934 4,001 quintals while in 1935 the trade was 17,827 quintals.²

Quintals in wood oil in:

| | 1934 | 1935 |
|-----------------|----------------|---------------------------|
| U.S. of America | 410,390 | 491,999 |
| Hongkong | 86,545 | 87,481 |
| Great Britain | 31,309 | 36,551 |
| France | 31,849 | 31,154 |
| Germany | 22,495 | 28,923 |
| Netherlands | 31,061 | 20,607 |
| Other countries | 39,187 | 42,140 |
| Total | <u>652,836</u> | <u>738,865</u> |
| Value | \$26,216,683 | \$41,582,879 ³ |

In the bristle trade, Germany ranked only third after the U.S. of America and Great Britain; German trade of 4,756 quintals in 1934 compared to 6,358 quintals in 1935.

Exports of wolfram ore (tungsten) totalled 73,833 quintals as compared with 47,065 quintals during 1934. Of the total amount Germany took 23,332 quintals, America 10,720 quintals, Great Britain 8,781 quintals, Sweden 6,843 quintals, France and Belgium 5,000 quintals each, and Hongkong 12,604 quintals.⁴

¹The China Yearbook, ed. by H.G.W. Woodhead, C.B.E., (Shanghai: The North China Daily News & Herald, Ltd., 1936), 61.

²Ibid., 62.

³Ibid., 65.

⁴Ibid., 63.