

Doc. 3188 - Evid.

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INTERNATIONAL PROSECUTION SECTION

EVIDENTIARY DOCUMENT NUMBER 3188

TITLE: Bound pamphlet, Sino-Japanese Peace Negotiations between  
Consul-General NAKAMURA and CHIAO FU-SAN, a proxy of  
KUNG HSIANG HSI.

SOURCE: Foreign Ministry

MICROFILMING

Document 3188 Source: Foreign Ministry

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23 December 1947

MEMORANDUM FOR: Mr. Yale C. Maxon,  
Chief, Document Division, IPS.

FROM: Edward P. Monaghan,  
Chief, ID-IPS.

SUBJECT: IPS DOC. NO. 3188  
" " " 3189

The originals of IPS Documents Nos. 3188 and 3189 have been withdrawn and replaced by copies of the same documents. The originals were requested on this date by the Foreign Office.

*Edward P. Monaghan*  
EDWARD P. MONAGHAN,  
Chief, ID-IPS.

**INTERNATIONAL PROSECUTION SECTION**

Doc. No. 3188

22 September 1947

**ANALYSIS OF DOCUMENTARY EVIDENCE**

**DESCRIPTION OF ATTACHED DOCUMENT**

**Title and Nature:** Bound pamphlet, Sino-Japanese Peace Negotiations between Consul-General NAKAMURA and CHIAO FU-SAN, a proxy of KUNG HSIANG HSI.

**Date:** 23 July 1938 **Original** (x) **Copy** ( ) **Language:** Japanese

**Has it been translated?** Yes ( ) No (x)

**LOCATION OF ORIGINAL:** Document Division

**SOURCE OF ORIGINAL:** Foreign Ministry

**PERSONS IMPLICATED:** NAKAMURA (Consul-General at HONGKONG), CHIAO FU-SAN, KUNG HSIANG HSI.

**CRIMES OR PHASE TO WHICH DOCUMENT APPLICABLE:** China Incident

**SUMMARY OF RELEVANT POINTS**

**Contents:**

On 23 June CHIAO FU-SAN, the secretary of KUNG HSIANG-HSI, came to meet with Consul-General NAKAMURA, and said that China desired to open peace negotiation secretly without any interference from the third powers, as the situation in China became more and more convenient to make peace with Japan, except for the problem of CHIANG KAI-SHEK's resignation.

After having come back from HANKOW, CHIAO came to convey KUNG's opinion on 18 July and proposed the following peace conditions:

- (1) Cessation of anti-Japanese activities.
- (2) Indirect recognition of Manchukuo by way of Japan-China-Manchukuo Treaty.
- (3) Recognition of self-government in Inner Mongolia.
- (4) Recognition of mutually equal economic development in China. The establishment of special area in North China is still too difficult.

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Dec. No. 3188 - Page 2 - Summary Cont'd. *Checked by*

- (5) The settlement of demilitarized zone under the request of Japan.
- (6) Breakoff of relations with the Communist party.
- (7) No indemnification.

To this NAKAMURA said that the first important condition of peace lies in the resignation of CHIANG KAI-SHEK and also item (4), (5) and (7) would not be easily accepted by Japan, as Japanese influence had already established in China and the securing of peace and the obtaining of indemnity were the desires of the Japanese nation.

CHIAO explained that CHIANG would resign only if the situation would become more and more against his interests.

*CHINA - JAPANESE Peace Negotiations*

*(July 25, 1938 A-1)*

CHIAO FU SAN *outlined* the opinion of the Japanese Government concerning the peace negotiations.

*See also reports in the margins opposite I/*

*NAKAMURA - CHIANG Kai-shek*

ANALYST: FRED F. SUZUKAWA  
1st Lt

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Page 2

4<sup>ce</sup>

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Checked by Ogita /

P1/ Conversation at HONG KONG Between Consul  
General NAKAMURA and CHIAO FU-SAN who  
is acting for KUNG HSIANG-HSI concerning  
the SINO-JAPANESE Peace Negotiations.

(July 23, 1938 A-1)

CHIAO FU SAN sounds out  
the opinion of the Japanese  
Government concerning the  
peace problem.

TN the above appears in the margin opposite I/

I. NAKAMURA - CHIAO Conversation  
of June 23

CHIAO FU SAN who is the private secretary

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of KUNG HSIANG HSI, and his representative in HONGKONG, has heretofore been avoiding relations with the Japanese, and has always been saying that there is no intention of a peace in the HANKOW area. However, spurred by the statement made by Minister UGAKI in his talk to foreign correspondents to the effect that peace may be considered in the event of a fundamental change on the part of the CHINESE, CHIAO FU-SAN, <sup>recently</sup> asked for a meeting with Consul-general NAKAMURA



saying that he received secret orders from KUNG HSIANG-HSI to the effect that he should, after meeting Consul-general NAKAMURA at HONGKONG, find out and report what the Japanese mean by the so-called fundamental change and also whether or not the Japanese intend to discuss peace.

P<sup>2</sup> | Consequently, Consul-general NAKAMURA met CHIAO in the evening of the 23rd, and heard the latter's desires. Consul-

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general NAKAMURA first asked <sup>about</sup> the circumstances leading to President KUNG's making such a proposal. To this, CHIAD replied that at the time of Major-general SATO's visit in April of this year, the situation was such that we answered to him that there was absolutely no chance for peace, but later as the time passed, we came to reflect upon ourselves as to how long and for what purpose we should continue this war; that the people in responsible positions have come

to consider this point deeply; and that at the present time, although there are objections by some of the radicals, the situation is such that they can be suppressed according to CHIANG-KAI-SHEK's feelings. The Consul-general then asked whether or not there are people who object to peace from the standpoint of China's domestic and foreign relations even if President KUNG and other responsible persons hope for it. CHIAO replied

that there is nothing obstructing the negotiation for peace even in view of the present relations with the SOVIET UNION and others. When asked further about the relations of LI, PAI, and the Communist Party in home affairs, CHIAO replied that although he cannot give a clear answer without first having it ascertained by HANKOW, the positions of LI and PAI in the central Government is not so important and do not constitute any special problem;

but that if peace is concluded the Communist Party will naturally become independent, and the problem will not remain in the future.

I.P.S. Doc. 3188.

Translated by K. ASAI.

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p. 3

Then CHIAO said that KUNG HSIANG-HSI had been to this day

~~consistently~~<sup>a</sup> pacifist ~~to that day~~, being on

good terms with WANG CHING-WEI and HO YING-CHIN

and well thought of by all <sup>(the political and groups;</sup> parties, that there was

no doubt that CHIANG KAI-SHEK, too, <sup>inwardly</sup> ~~was~~ wishing

for peace ~~within himself~~ but ~~he~~ <sup>is unable</sup> ~~was not~~ in a

~~position to speak it out~~ <sup>express outwardly only because of his position;</sup> And, as to ~~do~~

~~that the~~ <sup>(does not worry)</sup> matter of his resignation, CHIANG himself <sup>in the</sup> ~~did not~~ least

~~seem to weigh on it~~ but the people around

him ~~could~~ <sup>cannot</sup> easily talk of it and thus the conclusion was unable to be reached to this day;

~~matter remained as it had been.~~ And that

SUNG TZU-WEN, though ~~he had been~~ against the  
 peace, ~~negotiations~~, <sup>can also be</sup> ~~could be~~ suppressed by

CHIANG as he desired; ~~too~~ And that ~~so~~ <sup>the</sup> pro

✓ p. 4

longation of hostilities means, ~~at bottom~~, <sup>in the end</sup> that

both JAPAN and CHINA <sup>will be made</sup> ~~were being obliged to~~

dance <sup>for</sup> ~~by~~ the Powers, <sup>having</sup> ~~interested~~ in the FAR EAST,  
 so it is <sup>most</sup> ~~is~~ <sup>desirable</sup> that,

~~Therefore~~ the negotiation for peace should ~~better~~

be carried out very secretly between <sup>the</sup> two

countries, <sup>without concerning</sup> ~~excluding~~ other Powers. And He

repeated the gist of the original instruction from KUNG

~~implored me to make inquiry if CHIANG~~

HSIANG-HSI and implored me to inquire if CHIANG's

~~should resign in any case or not and~~

resignation is necessary or not, and ~~also the~~ such

~~other extent of matters to which we may~~

minimum scope of requirements.

~~concede, etc, repeating the intention of the~~

b

~~KUNG HSIANG-HSI's instruction once again.~~

The instruction <sup>answering</sup> to the inquiry  
~~matter concerning~~  
~~about~~ the conditions for peace  
 and the <sup>problem of</sup> matter regarding  
 CHIANG's resignation.

IN This passage appears  
 in the margin opposite  
 II.

II. The Instructions <sup>answering</sup> to the Inquiry <sup>Concerning</sup> Method  
~~about~~ the ~~Polices~~  
 of Answering the  
~~for~~ ~~Debating~~ the <sup>Afore-mentioned</sup> <sup>Proposal</sup> Matters Sug-  
 gested by the CHINESE.

There was a telegram to the superior to the  
~~the following telegram reached us,~~  
 effect that it is felt advisable that in  
~~asking an instruction in one way or other,~~  
 answer <sup>to</sup> ~~the~~ <sup>the</sup> ~~forementioned~~ proposal of by CHIAO on  
 "It is thought advisable that Consul  
~~the 23~~ June 23, Consul-general NAKAMURA



General NAKAMURA, concerning the above  
 suggestion made by CHIAO on the 23rd of  
 June, should tell them that CHIANG KAI-SHEK'S  
 resignation is absolutely necessary <sup>before</sup> ~~for~~  
 commencing any <sup>talk</sup> ~~negotiation~~ whatsoever,  
 and that he should tell them that other conditions  
~~and, as to other conditions, we will show~~  
 will be presented ~~them~~ after the CHINESE <sup>present a</sup> ~~send us~~ ~~sheet~~  
 responsible delegate, <sup>after which we will</sup> ~~that we should~~  
 observe their attitude; ~~and therefore~~ but  
 look to them how they come out in  
 that instructions are desired as to what should  
~~be done.~~  
 be done.

1. P. S. Doc. No. 3188

Translated by S. Imamura

P. 1

Therefore the following instruction was issued by this office with the intention of continuing the talk in regard ~~which were presented to her through the German side at the~~ ~~to Chinese proposal:~~ The Chinese should know ~~end of last year, as the main department had a good~~ the outline of the conditions for peace by those which were ~~attitude to the proposal from the Chinese side concerning the~~ presented to her through the GERMANS at the end of ~~matter. (See No. 3 annexed paper on conditions of our side.)~~ With last year (Ref. Our conditions on annexed sheet No. 3). With what conditions does the <sup>KUOMINTANG</sup> ~~Kuomintang~~ government intend to make peace at this time? ~~overture of peace?~~ We <sup>believe</sup> ~~think~~ that the <sup>KUOMINTANG</sup> ~~Kuomintang~~ government should <sup>truly make</sup> ~~really~~ reflections ~~to conduct~~ and show her sincerity, if she <sup>is to broach the subject of</sup> ~~broaches~~ <sup>Bargaining</sup> ~~peace negotiation.~~ ~~We~~ is unnecessary ~~at this time.~~ In other words, intentions ~~do not need bargaining this time.~~ We should, by all means, ~~must be expressed clearly and we both should strive~~ meet the Chinese side with a purpose of maintaining the ~~for the maintenance of East Asia.~~

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1.2

general situation in East Asia, showing clearly our real intention. Besides this, the <sup>confidential</sup> ~~informal~~ report, from the Director of East-Asia ~~Office~~ Bureau, concerning <sup>the problem of</sup> CHIANG's resignation is to the effect that as far as the ~~Director~~ Director of the ~~Office~~ Bureau knows, he cannot make any resignation is presupposed or not. I can't exactly talk of how changes or say anything ~~in~~ as to whether or not it should be changed. However, some quarters of the government ~~strongly~~ <sup>strongly</sup> feel that it should be an absolute condition. The Japanese ~~the~~ peace negotiations although certain quarters people are in the same atmosphere. Therefore, I instructed in the Government strongly feel that it should be ~~them to reply the Chinese side, having realized the facts above.~~ an absolute condition; and that the people feel the ~~mentioned~~ same way about it. Make your answer in accordance with the above.

KUNG's desire for peace was conveyed.

IN This passage appears in margin opposite III.

III NAKAMURA-CHIAO conversation of June 28

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### III. NAKAMURA-CHIAO Conversation of June 28.

P. 3

II On June 28, Secretary CHIAO again visited Consul-General

NAKAMURA by the instruction of KUNGT Hsiang-hai. He

confidentially said <sup>he</sup> informally talked that ~~the~~ Chinese side wished to receive

our reply as soon as possible, and that <sup>the</sup> of course ~~the matter~~

~~of the concerning the~~ negotiation between the Consul-general and himself ~~was~~ is naturally being carried out after consultation <sup>He</sup> decided in the consultation with CHIANG Kai-shek. ~~He~~

also requested that the sincerity of President ~~he~~ repeatedly ~~implied~~ that Director KUNGT's zealous desire KUNGT's ~~to~~ fervent desire for peace ~~on~~ by reasonable far peace should be conveyed to Minister UGAKI, ~~having~~ conditions ~~should~~ be ~~to~~ conveyed fully to Minister ~~peace conditions favourable to the Japanese side~~ UGAKI.

### IV. NAKAMURA-CHIAO conversation of July 1.

Request for the Reply of the Imperial Government / T. N.

CHIAO wished to receive the reply of the Imperial Government

This passage appears in the margin opposite IV /

IV NAKAMURA-CHIAO Conversation of July 1.

On July 1, Secretary CHIAO <sup>called on</sup> ~~visited~~ Consul-general NAKAMURA through ~~by the~~ instructions of KUNG Hsiang-hsi, ~~CHIAO reported the~~ <sup>for</sup> ~~saying that~~ <sup>KUNG Hsiang-hsi and</sup> ~~good offices of the Consul-general saying~~ that KUNG Hsiang-Hsi and his colleague are heartily <sup>hoping</sup> ~~desiring~~ for peace, ~~and~~ especially <sup>that</sup> ~~the~~ <sup>cessation</sup> ~~heretofore,~~ <sup>suspension</sup> of hostilities; ~~peace negotiations had been done~~ <sup>carried out</sup> through the Third Powers but that they believe ~~however, they confirmatively believe~~ that the most <sup>method</sup> ~~way~~ <sup>after all, is</sup> ~~should be settled~~ by the direct <sup>negotiations</sup> ~~conversations~~ <sup>and that</sup> ~~between Japan and China;~~ Fortunately, the way for the direct <sup>negotiation</sup> ~~conversation~~ has been <sup>opened,</sup> ~~found out.~~ Therefore, he (CHIAO) has applied to NAKAMURA for his good offices in obtaining a reply from the Japanese Government, <sup>as</sup> ~~help to receive the reply of the Japanese Government as soon~~ ~~soon as possible.~~ <sup>as possible.</sup>

CHIAO Fu-san <sup>makes round trips to</sup> ~~visits~~ HANKOW. <sup>FN This passage appears in</sup> the margin opposite ~~V~~

~~V~~ NAKAMURA - CHIAO conversation of July 13th.

Secretary CHIAO <sup>called on</sup> ~~visited~~ Consul-General

NAKAMURA on the evening of July 13th and ~~told~~ <sup>said</sup>

that he had reported ~~in by one~~ to KUNG Hsiang-Hsi

by strictly confidential letters <sup>the progress of</sup> ~~all about~~ the <sup>recent</sup> ~~late~~

conversations.

~~held conferences.~~

~~He~~ <sup>he</sup> called ~~he~~ <sup>he</sup> telephoned ~~by telephone and~~

KUNG late ~~the~~ <sup>the</sup> previous night, <sup>KUNG had</sup> said that there

was no need to repeat HANKOW's earnest wish

for peace, and ~~then~~ <sup>had</sup> asked ~~if~~ <sup>him</sup> whether ~~he~~ <sup>he</sup> could perceive

an intention for peace on the part of the Japanese

Government too, <sup>he</sup> ~~CHIAO~~ answered KUNG that

he believed in it ~~from~~ <sup>from the</sup> result of his conversations  
 with ~~the~~ <sup>the</sup> Consul-General NAKAMURA, ~~but~~ <sup>that</sup> he thought  
 it was ~~he had~~ better to talk personally with KUNG as ~~for~~ <sup>to</sup>  
 the details. KUNG <sup>then</sup> asked him to come to HANKOW  
 as soon as possible as KUNG would personally  
 give him instructions.

He added that he was going to fly to  
 HANKOW on the 15th.

Consul-General NAKAMURA, ~~in~~ <sup>during</sup> ~~this~~ <sup>conversation</sup>,  
~~urged upon him~~ <sup>said</sup> in a casual manner that  
 WANG Ching-wei, <sup>for the Chinese</sup> had already presented to the

Japanese the conditions <sup>consisting</sup> of about seven items for Chinese

~~part~~ through the Italian Councillor (Ref. Annexed sheets No. 1, and No. 2, No. 2 of the enclosure), so that KUNG Hsiang-Hsi

when making a proposal to the Japanese, <sup>which</sup> ~~too~~ should not assume such an attitude ~~as~~ might be taken tactful, ~~but~~ act in all sincerity, taking <sup>the</sup> above-mentioned circumstances into consideration.

~~when he would make any proposal to the Japanese.~~

(by saying)

CHIAO responded to this <sup>^</sup> that he had heard of

the matter, ~~indeed~~ but the HANKOW Government

had never <sup>accepted</sup> given its consent to these conditions.



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KUNG Hsiang-Hsi discloses his ~~intention~~<sup>opinion</sup> on the

peace problem / TN. This passage appears in the margins  
opposite VI /

VI

(a) NAKAMURA-CHIAO <sup>Conversation</sup> ~~Conference~~ of July 18~~th~~

On July 18th, Secretary CHIAO flew back

from HANKOW conveying KUNG Hsiang-Hsi's

opinion, and ~~met~~ <sup>met</sup> ~~came to see~~ Consul-General

NAKAMURA ~~at~~ the same evening. He related ~~what~~ <sup>what</sup> he ~~told~~ <sup>related</sup> as  
the following (a)

KUNG's opinion, was as follows:

1. In the first place, KUNG feels ~~much regret~~ <sup>that</sup>

~~over~~ the present <sup>situation</sup> ~~relations~~ between Japan and China  
is very regrettable.)

Although the Japanese is ~~going to~~ <sup>trying to</sup> deal with China

TN indent /

solely <sup>through armed</sup> ~~with~~ oppression, ~~through force of arms,~~

the Chinese Army ~~to~~ <sup>do</sup> would not yield easily, ~~and~~

Also the people's resentment would become

more and more intense. ~~Then,~~ <sup>then,</sup> both Japan

and China would merely ~~double~~ <sup>increase</sup> their exhaustion

and impoverishment. <sup>(it is feared that)</sup> In the meantime, <sup>other</sup> ~~another~~

<sup>such as</sup> powers, Britain, America, France and Russia,

would ~~be~~ <sup>increase</sup> ~~strengthened~~ their <sup>military</sup> ~~preparations~~

~~still more.~~ <sup>and that</sup> ~~Thus, KING is afraid that,~~ even if

Japan <sup>does</sup> ~~could~~ defeat China, both Japan and

China might <sup>be destroyed</sup> ~~like go to ruin~~ as the result of

the exhaustion. Therefore, it is necessary to

To copy TN indent

change the policy towards <sup>that of</sup> ~~the~~ co-existence and  
co-prosperity of Japan and China as soon as  
possible.

FN  
indent

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2. Though Japan <sup>is intending</sup> to go forward protecting  
 the two governments, viz the <sup>Provisional</sup> ~~Temporary~~ Government and  
 the <sup>Renovation</sup> ~~Reformation~~ Government, <sup>these two</sup> they are not supported  
 truly by people and are <sup>merely</sup> only maintaining public  
 order in a part of the occupied area <sup>with</sup> by the aid of  
 Japan. Their real power is best known by  
 Japan and when the time <sup>comes in the future when</sup> Japan  
 has disputes with ~~foreign countries,~~ <sup>the above will,</sup>  
~~some in future,~~ they will  
 on the contrary, become a <sup>burden to</sup> ~~weight on~~ Japan.

To G. T. N. indent!

3. Until to-day, <sup>there have been</sup> ~~not a few~~ Japanese <sup>who</sup> have made  
 approached  
 their advances to the National Government through  
 /P10/

various channels, <sup>did not continue and</sup> but their negotiations have

always ended in ~~anti-climaxes~~ <sup>anti-climaxes</sup> ~~inconclusive conclusions~~. I am

that at this time, for the first time, the situation is glad to be able to have the first opportunity to such that conversations are held,

confer with Consul-General NAKAMURA, <sup>responsible</sup> a repre-

sentative of the Japanese Government, <sup>by your persuasion</sup> and through his <sup>to you</sup> encouragement, conditions for the settlement of ~~say directly~~ the conditions of settling the situation. the situation are being presented directly.

However, when I study in detail the various ~~pre-~~ statements made so far ~~announcements issued~~ by the Japanese Prime Minister,

Foreign Minister, War Minister, etc., ~~until today~~

I am afraid that history may repeat itself whereby <sup>great</sup> I am anxious about the probability of the ~~all even if full~~ <sup>can be</sup> understandings reached with the Foreign Affairs authorities repetition of the history of schemes planned with much trouble ending in failure being broken by

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through farsighted viewpoints, they will be destroyed again by the army, and plans made with great care and trouble will end in nought.

~~the army, even through enough understanding of the~~

~~foreign affairs authorities can be obtained from~~

~~a far-sighted viewpoint.~~

4

4 ~~China~~ <sup>in</sup> ~~is going to~~ submitting a settlement plan <sup>with</sup> ~~by~~ your <sup>encouragement</sup> ~~persuasion~~; ~~we~~ hope an agree-

ment will quickly be reached before the fall

of HANKOW. If HANKOW falls, the ~~peace~~ negotiation <sup>(for peace)</sup>

will become difficult again.

4

5. The cessation <sup>(is desired extremely,</sup> ~~We hope~~ suspension of hostilities ~~most and~~ <sup>and we hope</sup>

that both armies will stop at <sup>(their respective)</sup> the position ~~where~~

they will be <sup>at</sup> the time of the conclusion of the

TN indent

agreement. (Further, <sup>in</sup> answering Consul-General

NAKAMURA's question, CHIAO said that ~~as~~ <sup>as</sup> a supposition, that consideration can be given to, ~~it may be said the following matters can be~~

~~considered.~~ That is, stopping <sup>the</sup> ~~to~~ increase of China's

fighting power during the period of armistice,

for instance, ~~to stop~~ <sup>stopping</sup> the transport of munitions

or ~~their~~ new <sup>purchases</sup> ~~procurement~~; stopping the activities of guerrilla units within the occupied areas and which ~~of guerrilla corps controlled by government in~~ have connections with the Government.

~~the occupied area.~~ (P. 11)

IPS,  
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Translated by  
HATATE, Kikui

(1)  
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1/P.12/ 6. <sup>Since CHIANG</sup>  
~~As Chiang Kai-shek~~ has won great popularity  
from the whole nation actually as the Chief of the  
state since the <sup>SIAN</sup> Sian Incident, it is difficult  
to his  
~~him~~ to consent ~~the~~ resignation by Japanese ~~to~~  
demand. However, as the  
~~quest~~; ~~but~~ as there is policy of Japanese  
has its policy, and as it is ~~that~~ the  
Government, and as it is, in fact, Kung's  
responsibility of KUNG as Chief of the Executive YUAN  
responsibility as chief of the Executive Council  
for the  
~~that~~ the situation <sup>to have</sup> has come to the present ~~step~~, <sup>state</sup>  
he wants  
Kung would desire to resign, <sup>bearing</sup> ~~holding~~ the whole  
responsibilities.

To this Consul-General NAKAMURA said, that  
he agrees <sup>to</sup> with the Principle of <sup>co-existence and co-</sup> ~~live and let live~~



prosperity) between Japan and China; ~~As~~ ~~the~~ ~~present~~ ~~that~~ ~~since~~ ~~the~~ ~~present~~ reorganized Cabinet has ~~entirely~~ ~~produced~~ <sup>absolutely accomplished</sup> unity in the entire nation without discriminating the result of ~~the~~ ~~standing~~ ~~together~~ ~~as~~ ~~a~~ ~~nation~~ ~~between~~ ~~the~~ ~~discrimination~~ ~~of~~ ~~the~~ ~~military~~ ~~circles~~;

Foreign Affairs <sup>circle,</sup> and others, ~~so~~ ~~that~~ such an anxiety ~~is~~ ~~unnecessary~~ <sup>and</sup> it is well to feel relieved on ~~is~~ ~~nothing~~ ~~but~~ ~~groundless~~ ~~and~~ ~~you~~ ~~had~~ ~~better~~ ~~take~~ ~~it~~ ~~easy~~; ~~that~~ ~~although~~ ~~you~~ ~~say~~ ~~that~~ ~~you~~ ~~have~~ ~~take~~ ~~it~~ ~~easy~~; ~~while~~ ~~you~~ ~~said~~ ~~you~~ ~~have~~

~~contacted~~, ~~it~~ ~~is~~ ~~your~~ ~~mistake~~ ~~that~~ ~~connected~~ ~~with~~ ~~many~~ ~~japanese~~ ~~up~~ ~~to~~ ~~the~~ ~~present~~, ~~it~~ ~~is~~ ~~your~~ ~~mistake~~ ~~to~~ ~~have~~ ~~I~~ ~~think~~ ~~you~~ ~~have~~ ~~made~~ ~~something~~ ~~wrong~~ ~~that~~

~~you~~ ~~had~~ ~~depended~~ ~~upon~~ ~~them~~; ~~I~~ ~~will~~ ~~any~~ ~~rate~~, ~~KUNG's~~ <sup>concrete</sup> ~~proposal~~ ~~will~~ ~~be~~ ~~conveyed~~ ~~how~~ ~~deliver~~ ~~the~~ ~~definite~~ ~~disposal~~ ~~made~~ ~~by~~

~~Hung~~ ~~to~~ ~~the~~ ~~Government~~, ~~but~~ ~~I~~ ~~think~~ ~~it~~

LRS.  
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28<sup>(3)</sup>

may be difficult to ~~settle the matter~~ <sup>negotiate</sup> without

resignation of <sup>CHIANG</sup> ~~Chang~~ Kai-shek; <sup>that if</sup> ~~if~~ peace

<sup>P.13/</sup> is to ~~will~~ be concluded <sup>by conditions</sup> ~~at~~ the satisfactory ~~con-~~

~~ditions~~ <sup>to</sup> for Japan, it is natural for

<sup>CHIANG</sup> ~~Chang~~ Kai-shek to resign ~~holding his res-~~

~~ponsibility for Chinese people without~~

awaiting the Japanese demand, from the stand-  
point of his responsibility to the Chinese people; that  
~~point of which it is not difficult to under-~~

~~stand~~ this point is difficult to comprehend from the

~~stand by Japanese way for the sense of~~

Japanese sense of

responsibility.

CHIAO seemed

~~Then Chiao looked~~

perplexed

~~annoyed~~ saying, "You are quite right."

Translated by K. YAMADA.

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/ P. 13 / - Peace Terms of KUNG. / TN this passage appears in the margin opposite (b) /

(b). Peace terms ~~proposed~~ <sup>submitted</sup> by CHIAO Fu-san as the personal ~~a~~ plan of KUNG Hsiang-hsi.

After having conveyed <sup>the</sup> ~~notified~~ <sup>the</sup> ~~intention~~ <sup>of</sup> KUNG,

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(1) The CHINESE Government shall endeavor to realize <sup>a</sup> ~~the~~ good <sup>will</sup> ~~feeling~~ towards JAPAN

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~~best exertions~~ in order to improve the ~~SINO-~~  
~~CHINO-~~

JAPANESE relations ~~with all her might~~ for the  
sake of the ever-lasting peace of the Orient.

- (2) MANCHOUKUO shall be recognized indirectly  
by the conclusion of <sup>a Three Power</sup> ~~Tripartite~~ <sup>among</sup> Treaty ~~of~~ JAPAN,  
MANCHOUKUO and CHINA. ~~And~~ As it will  
<sup>create</sup> ~~give~~ good-feeling to the CHINESE people, <sup>it</sup> ~~to~~  
<sup>is desired that</sup> ~~make~~ MANCHOUKUO <sup>becomes</sup> a free state of her own  
accord. ~~this measure is desirable.~~

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- (3) Self-government in INNER MONGOLIA will be recognized.
- (4) The establishment of the special area in NORTH

CHINA is ~~still~~ <sup>extremely</sup> difficult, ~~but~~ although <sup>reciprocal</sup> ~~economic~~ and equal economic development <sup>in</sup> CHINA, ~~development in CHINA~~ under the condition of ~~reciprocity and equality~~ will be recognized.

(5) The ~~settlement of~~ <sup>the problem of the</sup> demilitarized zone shall be settled after a concrete request is made by ~~solved by the detailed request of~~ JAPAN.

CHINESE troops shall not <sup>be</sup> station <sup>there, and</sup> ~~but~~ it is desired that security unit be made to ~~peace-preserving troops shall~~ take charge of maintaining peace and order.

(6) Although ~~the~~ discussion has not been <sup>carried out</sup> ~~made~~ <sup>(yet thoroughly)</sup>; ~~the~~ relations with the Communist Party shall be liquidated; and the

problem of  
whether <sup>or not</sup> to join the Anti-Comintern Pact or  
to conclude a special agreement <sup>must</sup> ~~shall~~ be  
studied separately.

(7) As CHINA is ~~very much~~ <sup>extremely</sup> devastated and  
~~destitute~~ <sup>destitute</sup>, the CHINESE Government has no  
power <sup>to make</sup> ~~of~~ payment even if the reparation  
~~is~~ <sup>is</sup> ~~might be~~ discussed.

(C) Questions and Answers ~~made~~ Between NAKAMURA and CHIAO in regard to the above <sup>(mentioned)</sup> peace ~~conditions~~ <sup>terms</sup>.

In response  
Against this a Consul-general NAKAMURA said,

"CHIANG KAI-SHEK'S resignation is an important ~~question~~ <sup>problem</sup> requiring prior settlement, ~~to be settled first~~ but besides this, Japan, ~~to be sure,~~ <sup>naturally,</sup>

has other requirements; <sup>In</sup> criticizing of KUNG'S proposal, <sup>in the</sup> first <sup>place,</sup> MANCHUKUO, ~~which was stated~~ <sup>is referred to</sup> in the second

clause, <sup>(naturally)</sup> ~~was already approved~~ <sup>is recognized</sup> by Japan, and ~~also by other countries,~~ <sup>this</sup> so being clearly ~~other countries also approved it,~~ ~~the existence of~~

MANCHUKUO is an established fact, ~~so it will not~~ <sup>we cannot</sup>

~~be considered~~ ~~to~~ changing the name of the ~~country~~

at this time."



In regard to the <sup>fourth clause</sup> ~~fourth paragraph~~, CHIAO said  
 that the establishment of a  
 Establishing special zone in HOPEI, ~~a~~ matter often  
 proposed, ~~it~~ will be difficult because it ~~was~~ <sup>is</sup> too  
 easily ~~often~~ misunderstood by ~~CHINA~~ <sup>the CHINESE as being</sup> the first  
~~step in the division~~ <sup>the beginning of</sup>  
~~the separation of a territory~~; ~~but~~ <sup>that</sup> it is desirable to  
 carry out ~~more~~ ~~an~~ economic developments not only ~~over~~ <sup>in</sup> the  
 North CHINA, but ~~also~~ <sup>throughout</sup> ~~whole~~ CHINA by co-operation.

And Consul-general NAKAMURA replied that

~~If~~ <sup>if</sup> the principle of equality and reciprocity is  
~~applied~~ <sup>applied throughout</sup>  
~~considered over~~ <sup>the whole of CHINA</sup>, Japan's position

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 by ~~CHINA~~ <sup>to be</sup> ~~the~~ beginning of  
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in CHINA will be regarded in the same light <sup>as those</sup> ~~with~~

~~by~~ all other powers, and ~~Japan will never be satisfied~~ <sup>will be absolutely unsatisfactory.</sup>

~~with it,~~ that in the past, North CHINA had formed a special zone,

~~in the past,~~ and Japan had been taking <sup>an</sup> attitude of

pure ~~only~~ economical co-operation, <sup>but the fact that,</sup> ~~towards this~~ <sup>KUOMINTANG</sup> the ~~National~~

Government interfered even in a trifling <sup>matter</sup> ~~thing,~~ and

~~this~~ <sup>recent</sup> caused the late Incident between Japan and

CHINA; <sup>that</sup> accordingly, ~~it will clearly be seen that~~ <sup>the fact that Japan will</sup> ~~some demands to prevent such occurrences in the~~ <sup>make</sup>  
Japan will make such requirement as ~~not~~ <sup>will</sup> ~~future,~~ ~~must~~ be naturally expected.

~~to raise such interference in the future!~~

He further asked, "In view of fact that ~~Moreover the following question was made~~  
our economic

~~Taking consideration of the Japanese economical~~



/ Translation by Akita /

/ Page 16 / with regard to <sup>the fifth clause,</sup> ~~Paragraph 5,~~

CHIAO stated that he ~~was not~~ <sup>cannot</sup> give consent immediately since he ~~is~~ <sup>is not</sup> in a position to say anything ~~of the~~ <sup>of the</sup> size of the ~~region~~ <sup>zone</sup> desired by Japan, and ~~right now~~ as to whether or the location of its establishment are ~~not~~ <sup>is</sup> in agreement unknown; that naturally since there ~~since~~ all those aspects as how have been <sup>previous</sup> extensive ~~would be~~ the areas desired by the Japanese, and the areas to be designated are left ~~undecided~~; that in looking ~~over~~ some of the examples

~~which we came to face in~~ <sup>in</sup> the  
 SHANGHAI area, ~~previously~~ <sup># don't you</sup>  
 it ~~is~~ would be difficult but it is  
~~think it difficult~~; and further  
 hoped that in the event the establishment  
~~that he wished that the Japanese~~  
 of such a zone, Japan too would  
~~would see their way not to bring~~  
 not station troops there;  
~~their troops station in the~~

~~event of such areas being~~  
~~set up.~~ As to <sup>the sixth clause,</sup> Paragraph 6,  
<sup>when</sup> Consul-General NAKAMURA <sup>said</sup> ~~told~~

~~CHIAO~~ that the anti-Comintern  
 problem is one, <sup>upon</sup> ~~with~~ which the  
 Japanese <sup>place great importance,</sup>  
~~are most seriously~~

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~~concerned.~~ ~~In response,~~ CHIAO

stated that the <sup>KUOMINTANG</sup> ~~Nationalist~~ and

the Communist Parties have

from the beginning <sup>destined</sup> ~~primarily~~ been doomed to split,  
<sup>it seems that,</sup> so, even if the KUOMINTANG Party does not

~~one another,~~ and that the  
 take any action, the Communist Party  
 Communist Party, not requiring

~~any action on the part of the~~  
 will, of its own accord, alienate itself.  
 Nationalists, would take course

~~to alienate by itself.~~ As

~~to~~ for the question of reparations  
~~offer~~ referred to in the seventh clause, when  
~~concerned by~~ Paragraph 7, CHIAO

repeated  
~~reiterated~~ that the Chinese have

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no power ability to ~~meet~~ make the payments;

~~whereupon~~ Consul-General NAKAMURA  
 stated ~~urged~~ him that while it would  
 be difficult for China to make  
 immediately payments of reparations  
 in cash under the present  
 situation, ~~circumstances~~, it is a natural <sup>step</sup> for  
~~quite~~ logical  
~~for~~ Japan to make ~~a~~ <sup>demands</sup> claim for  
 reparations, by even considering the matter  
~~considered~~, among others,  
 of the destruction and sinking by  
~~from the fact that~~ the Chinese,  
~~had caused destruction upon~~  
 of  
~~the~~ Japanese properties which



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~~men~~ were in CHINESE  
~~they held in custody; having~~ that.  
 therefore  
 them blasted or sunken into the  
 depth of water, and that  
 the Chinese must therefore,  
 at least in principle, agree,  
 apart from the details ~~as to~~ the

the dates and terms of such  
 the CHINESE must ~~at least~~ in principle recognize  
 payments, CHIAO then seemed  
 it. CHIAO ~~was~~ had difficulty in giving  
 to be perplexed not knowing  
 an answer.

~~how to react.~~

Furthermore, CHIAO <sup>added that</sup> upon his  
 arrival at HANKOW on July 15th,

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he reported to KUNG HSIANG HSI, and on the 16<sup>th</sup>, KUNG expressed his clear intentions on this development, while as mentioned above, and that apart from the KUNG, as aforementioned, had ~~function of CHIANG KAI-SHEK's resignation~~, it an occasion to make a definite is thought that KUNG statement of his idea on the 16<sup>th</sup>.

KUNG himself in the meanwhile

met with CHIANG KAI-SHEK, and discussed all, ~~was supposed to have discussed~~

~~with CHIANG about all the~~ <sup>other</sup> matters with him

questions with the exception of the question

that concerning the resignation

of CHIANG himself, ~~it was added.~~

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The ~~problem~~ <sup>Problem</sup> of CHIANG'S resignation, /TN  
 this passage appears ~~opposite~~ in margin opposite VII /

~~VII~~ NAKAMURA-CHIAO <sup>conversation</sup> ~~Negotiations~~

of July 19<sup>th</sup>.

On July 19<sup>th</sup> Consul-General

NAKAMURA continued his talks

with Secretary CHIAO. <sup>In reference</sup> ~~further~~

and in relation to the question

(Consul-General NAKAMURA)  
 of CHIANG'S resignation, bluntly

asked <sup>or not</sup> questioned whether CHIANG would

~~obstinately try~~ to hold his

present position <sup>even if, for instance, it</sup> ~~at~~ the cost

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would bring about the destruction of  
 of breaking off <sup>a</sup> the peace negotiations  
 if, for instance,

~~even~~ at such a moment where  
~~where~~ where,

both parties have come to an  
 agreement on all the terms

except for the question of CHIANG'S

resignation. CHIAO <sup>replied</sup> ~~stated in~~

~~reply~~ that should the situation

come to ~~assume~~ such a turn, CHIANG would  
 probably find it difficult to remain and would  
~~would come to find no alternative~~  
 resign.

~~other than quit, uneasy to~~

~~stay in.~~ Further, as to

the question of organizing a

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new government, incorporating both

the <sup>Renovation</sup> ~~Restoration~~ Government and the Provisional Government with the KUOMINTANG ]

~~Nationalist~~ Government, CHIAO, in

reply to a <sup>question</sup> ~~query~~ raised by the

~~said~~ Consul-General, stated that

since both governments are, as

a matter of fact, having themselves

engaged in the task of maintaining the

~~provincial~~ peace and order, <sup>(in the provinces,)</sup> and

since) both are originally of the same Chinese

~~blood~~ race, it is thought that their

~~the sons of same blood as Chinese,~~

incorporation will be

~~unity~~ of these might be

surprisingly easy. <sup>CHIAO</sup> He added that although ~~brought about~~ ~~issues~~ than he cannot express the responsible ~~what~~ ~~has been calculated~~ ~~is~~ opinions of KUNG HSIANG-HSI on either ~~and that~~ while KUNG HSIANG ~~of the~~ ~~two~~ ~~above~~ <sup>mentioned</sup> problems, he HSI is not in a position to ~~make~~ himself has the aforementioned ~~make~~ any responsible statement ~~view~~.

~~on either of these two issues,~~

CHIAO himself can sum up

~~the situation as described above~~

~~out of his own survey.~~