

Report for the week ended January 29, 1938.

BUREAU OF ECONOMIC RESEARCH
U.S. DEPARTMENT OF COMMERCE
FILE NO. *411*

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1938
FOREIGN MAIL

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WEEKLY ECONOMIC REPORT

COPY FOR THE BUREAU
China

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Japanese Deception: Unfortunately one of the very discouraging aspects of the Japanese hostilities are the deliberate misrepresentations made by Japanese spokesmen and the vast amount of glaringly false propaganda put out by Japanese agencies. Much of the Japanese deceit is stupid and non-sensical, while on the other hand a great deal of the propaganda is plausible to those who are not in a position to be informed. Americans returning from Japan state that the Japanese press does not in any way intimate that the Japanese soldiers are involved in any atrocities in China, but are presumably tenderly caring for the wants of the Chinese people wherever they are in control and that the Chinese people welcome the Japanese soldiers with open arms as their deliverers from the brutal Chinese rulers. In fact, photographs and sketches are faked up to represent these ideas. The fact that millions of Chinese civilians have fled from their homes as the Japanese troops advanced into the territory in which they live and that cities with normally upwards of 100,000 inhabitants are still, over a month after the Japanese took over control, almost dead and with mere handfuls of people -- in some cases the population having been reduced by 80% to 90% -- would belie any statements attributing sentiments of friendliness for their Japanese conquerors.

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In fact, conditions are glaringly the reverse. The atrocities committed by the Japanese soldiers are unbelievably brutal and involve cold-

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blooded murders and assaults upon tens of thousands of civilians, including
criminal assaults upon thousands of girls and women. The so-called "Bushido"
of the Japanese warrior is definitely a thing of the past, as we have seen
no evidence of it here in China during the present hostilities. As a
matter of fact, everything tends to show the Japanese soldier as fiendishly
brutal and the Chinese populace are in a state of terror wherever the
Japanese soldiers are in control.

Americans Likely to be Overcautious in Fear of Offending the Japanese:

It seems we are inclined to be over-cautious in refraining from expressing
ourselves in upholding American rights and prerogatives in the present
situation. On the other hand, the Japanese have taken and continue to
take all sorts of liberties in condemning Americans and things American
and in propaganda against America. I notice that in the "American Exporter"
of December on page 42, in an editorial comment, the following statement:

"At the recent National Foreign Trade Convention in
Cleveland a memorandum was circulated among the delegates
evidently intended to emphasize the relative importance of
our Japanese trade as compared with our Chinese trade. Pre-
pared by the Commercial Secretary of the Japanese Embassy
in Washington.

"We must confess to being intrigued by one feature of
the secretary's propaganda memorandum. Namely, in listing
our chief exports to China last year, the secretary omitted
four of our chief exports, including the two largest items,
leaf tobacco and airplanes."

Upon the cabled request of our Bureau, I prepared a statement for
presentation at the Convention. It was very carefully and judiciously

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worded, so as to make it quite inoffensive, yet it was so altered in a revision by the Bureau that the final statement as presented to the Convention was a very poor substitute for the original in its significance to American trade with China. In other words, we permit the Japanese to use the Convention for insidious propaganda while one of our own Department of Commerce representatives is forbidden to present a statement which is palpably drafted to serve the betterment of American interests and in no way unfriendly to others. Personally, I believe the Japanese will have far more respect for us if we stand up for our justifiable rights and back our interests, than if we take an attitude of fear lest we offend them. This has been well demonstrated in the motives which prompted the Japanese to the bombing of the "Fancy".

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