CONFIDENTIAL

The Embassy considers it advisable at this time to warn Americans who are planning to board the U.S.S. _Panay_ that they should be prepared to evacuate at short notice. The Embassy hopes that the evacuation may be executed with as little inconvenience as possible and, barring a sudden emergency, will attempt to notify Americans several hours in advance. Since decision to evacuate at a particular time may depend upon varying factors, including conditions in the city, complete preparations for emergency evacuation should be made as a precautionary measure. Due to lack of space, the Commanding Officer of the U.S.S. _Panay_ has necessarily limited baggage to one suitcase and one bedding roll per person. No extra bedding is available on the _Panay_ and it is essential that each American take sufficient bedding, including blankets, sheets and pillow.

Reliable reports indicate that some Chinese units from the Chinkiang-Tanyang-Kintan-Liyang-Kwangteh line have retreated to a point not far east of Chuyung (Kuyung). This development may make evacuation to the naval vessel advisable by tomorrow.