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THE PUPPET STATE OF "MANCHUKUO

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THE PUPPET STATE
OF
"MANCHUKUO"

KEGAN PAUL, TRENCH, TRUBNER & Co. Ltd.
38 GREAT RUSSELL STREET LONDON, W.C.I

CHINA UNITED PRESS
299 SZECHUEN ROAD
SHANGHAI
1935

First Published in February 1935
By the China United Press
Made and Printed at
Shanghai, China.

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THE PUPPET STATE OF "MANCHUKUO"

CHAPTER I.

INTRODUCTORY.

ON March i, 1934, "Henry" Pu Yi was proclaimed at Changchun "Emperor of 'Manchukuo.'" The event heralded by Japanese publicity since the puppet regime first made its declaration of "independence" on March 1, 1932, came to pass; and the curtain descended on another act of the marionette show which has, for a. stage, China's vast North-Eastern Provinces, and for actors, a handful of degenerate Manchus and renegade Chinese who have sold their national inheritance for a mess of pottage. It has taken the Japanese invaders of China's North-Eastern Provinces two years to decide upon the transformation of the occupied territory into an "Empire" under their protection, ruled nominally by an "Emperor" who actually wields no more authority than a sovereign behind the footlights. This step meant the fulfilment of a hope long cherished in Japanese circles, but there stood in the way of its earlier realization a number of serious considerations. The most important of these were fear of unfavourable reactions in the world to any precipitant haste in changing the status of these Chinese provinces, and the need of considering what regime would be most suitable for consolidating Japanese power in Manchuria, while at the same time relieving Japan of responsibility for the actions of her creation. It was obvious to Japan that these provinces should be given all the trappings of an independent State, but the problem was how this apparent elevation of status could be brought about without at the same time blocking a move which she had contemplated all along, namely, annexation.

After the world had passed emphatic judgment upon her and her puppet creation, Japan found that all her casuistry and vilification of Chim were of no avail in pulling wool over the eyes of the nations or

warping their independent judgment, and so abandoned her former pretence that Manchuria is not an integral part of China. The "showing-up," however, seems to have rather simplified matters for Japan, and, it being no longer necessary to resort to subterfuge, the overt act of converting the invaded territory into an "Empire" provides a direct escape from the dilemma.

Two years of provisional military government had paved the way for tightening control by the substitution of a more definite governmental regime as a fitting prelude to formal annexation. Only that momentous step will not be so described. Following the precedent of Korea, whose helpless Emperor was compelled, twenty-four years ago, to "petition" the ruler of Japan to "assume sovereignty" over his country, the "Emperor Kang Teh" will in due course also plead for annexation by Japan in similar euphemistic terms.

HISTORICAL SURVEY OF JAPANESE AGGRESSION.

With the exception of those who have been close students of Far Eastern affairs, popular knowledge of Sino-Japanese relations as they existed before the present crisis has been generally vague and meagre. A brief sketch, therefore, of those relations will not be out of place here. Indeed, it is very necessary, for a full appraisal of the present situation, to understand the purport and bearing of Japan's traditional policy of expansion mentioned in the Lytton Report. It is what the Japanese call the "Continental Policy," a policy of expansion on the Asiatic mainland involving two corollaries—firstly, the northward push, aiming at the invasion of Manchuria and North China through Korea (this programme being in course of fulfilment through the absorption of Korea, and the occupation of Manchuria and Jehol), and secondly, the southward push, or conquest of Southern and Central China and the South Seas, with the base of operations in Formosa.

Such a policy in its embryonic stage was in existence as early as the early 16th century, when Toyotomi Hideyoshi advocated the subjugation of China. "Since we cannot live in this world for even one hundred years," he wrote in reply to a letter from the King of Korea, "how can we continue to confine ourselves in this little island? It has long been my ambition to conquer the Ming Dynasty [that is, China] by way of your country. Our Emperor has expressed gratification at your, readiness to establish relations with us by sending a delegate to

our nation. I hope you will despatch troops to help us when we mobilize our forces against the Ming."

In the middle of the 19th century the Memorial of Nabeshima, **feudal** lord of Soga and guardian of Hizen, expressed the same sentiments. "The Shogun," it ran, "has been known as the great General whose mission is to conquer barbarian tribes. These two words, 'conquer barbarians,' are Japan's immutable policy. Because of the long duration of peace the spirit of our people has deteriorated. Now is the time to retrieve our waning fortunes and lay a firm foundation for our national greatness by spreading our prowess abroad."

The above quotations, apart from their historical interest, have an important bearing upon Japan's contemporary policy in the Orient, particularly in relation to China. They clearly exemplify the Japanese attitude in international affairs, because the spirit underlying these remarkable statements and the policy therein advocated remain the spirit and policy of modern Japan.

Thus, on March 31, 1922, an important meeting of army and navy officers of the highest rank was held in Tokyo, wherein new plans for war were formulated. The *Yomiuri Shimbun,* a Tokyo daily paper, published on the following day an account of the preceedings, disclosing the Supreme War Council's decision that, in case of war, Japan should immediately "establish close communications with the Asiatic mainland in an area commencing from Hankow, Shantung, up to Harbin and Karafuto (Sakhalin), which would constitute her first line of defence." Concerning the scheme of military operations, the following startling revelations were made:— "To strengthen her own defence, Japan should first of all augment her garrison forces in Formosa, Karafuto and Korea. In order to be adequately supplied with war materials for a long struggle, and to ensure ultimate victory, Japan should at all costs establish unhampered access *to* the coal and iron producing centres at Hanyang and Pinghsiang. To forestall swift changes in her international relations, Japan should take over Peking, and to assure herself of a ready supply of provisions from Manchuria, Mukden and Changchun should be placed under her occupation."

A few days later General Yamanashi, Minister of War, in reply to interpellations in the Diet concerning the above plans of "national defence" said, "The country, [meaning England] which has hitherto been in close friendly relations with us, has now chosen to abrogate

the Treaty of Alliance. In case of war, Japan will find herself confronted with the threat of an economic blockade. Japan, in such a contingency, must place the Continent [meaning China] and Siberia under **her military** occupation, **in** order to assure herself an adequate supply of **food** and war materials."

Japan's double-armed Policy of Expansion, which is the crystallization of several centuries of teaching by Japanese warriors, aims directly at the subjugation of China as the first stage in the conquest of Asia, the attack upon China in the North and South closely resembling that of a scorpion attacking its victim with both foreclaws and tail. Examining Sino-Japanese relations in the light of this policy, we are enabled to understand the full significance of Japanese aggressions and encroachments on Chinese sovereignty during the past sixty years which are detailed below. That very policy explains why Japan, on the termination of the Sino-Japanese War in 1894-5, insisted upon China's cession of the Liaotung Peninsula and the island of Formosa. It helps us to appreciate the full significance of Japan's seizure of the Liuchiu Islands in 1879; her occupation of South Manchuria after the war with Russia; her annexation of Korea in 1910; her despatch of troops to Hankow, in the heart of the Yangtsze Valley, in 1911; her occupation of Shantung from 1914-1922; her sudden presentation of the Twenty-One Demands to China in 1915; her hesitation to withdraw her military expedition from Eastern Siberia; her sending of a large force of troops to Tsinanfu in 1927 and 1928; her attack upon Mukden on September 18, 1931; her occupation of the whole of Manchuria and Jehol, and her refusal to withdraw her troops from these territories in defiance of public opinion throughout the world and in spite of her own pledges and undertakings. We are enabled also to gauge Japan's real intentions in seeking and concluding a series of secret Conventions with Russia in 1907, 1910, 1912 and 1916, defining their respective spheres of influence in Manchuria and Mongolia; and Japan's secret exchanges of Notes with other Powers in 1917 with reference to Shantung and South Manchuria. It enables us, finally, to understand her recent attempts to secure an alliance with certain Powers in Europe, leaving her a free hand in Asia.

The year 1868, which marked the restoration to the Emperor of the civil and military powers hitherto exercised by the Shogunate, marked simultaneously the commencement of the era of renascent Japan, and

an increasingly active prosecution of her Continental Policy at the expense of her older neighbour and cultural mentor. The first acts of aggression were not long in coming.

In 1871 and 1874 arose the Liuchiu Islands Affair, and the Japanese expedition to Formosa, which resulted from the killing of a few islanders in the Liuchius by Formosan aborigines. Japan made pretensions to a claim over those islands, which were then in Chinese possession. China was compelled to pay an indemnity and renounce suzerainty over the Liuchius, which were eventually annexed by Japan in 1879.

ANNEXATION OF KOREA.

Next came Japanese intrigues in Korea, which country had for several centuries been a tributary State of China, and was garrisoned by Chinese soldiers. Owing to the geographical position of the Korean peninsula, Japan claimed that its possession by any other nation constituted a menace to her security. In 1875, therefore, following an attack on a Japanese hydrographic expedition off the coast of Korea, Japan quickly seized the opportunity to make capital out of the incident. She landed troops in Korea, brought pressure to bear on the Korean Government, and under the pretence of liberating the country from Chinese suzerainty, concluded with Korea a Treaty of Amity on February 27, 1876, recognizing Korean sovereignty. Thus commenced the era of Japanese domination over that unfortunate country.

Certain insurrections were subsequently organized against the Korean Government in 1882 and 1884, as a result of secret incitement by Japanese, which led to the conclusion of the Sino-Japanese Convention of Tientsin in 1885, whereby China, for the first time, admitted Japan's equality of rights in Korea. This dual suzerainty was naturally a most unsatisfactory state of affairs, and the clash between new Japanese claims and Chinese established interests soon led to open conflict in 1894. This war was concluded by the Treaty of Shimonoseki, 1895, whereby China was forced to recognize the independence of Korea, to cede to Japan the island of Formosa, the Pescadores, and the Liaotung Peninsula, and to pay an indemnity of 200 million taels. This threat of continental expansion, signalized by the establishment of Japan's power in Liaotung, however, led to intervention by Russia, France and Germany, which compelled Japan to retrocede the peninsula to China in exchange for an additional indemnity of 30 million taels.

The case of Korea, presents a striking resemblance to that of Manchuria at the present day, and is indicative of the future of the territory now under illegal Japanese occupation. It will be remembered that Japan had repeatedly made official disclaimers of territorial ambitions with reference to Korea, and had for a considerable period even posed as the most ardent champion of Korean independence. This, however, was only the prelude to annexation, which step involved the breaking of no fewer than four of Japan's treaty pledges.

There was Article I of the Treaty of Alliance of 1894, between Japan and Korea, which stated that the object of that pact was "to maintain the independence of Korea on a firm footing." The Nishi-Rosen Convention of 1898, which sought to allay Russo-Japanese rivalry in Manchuria and Korea, declared that the signatory Powers "recognize definitely the sovereignty and entire independence of Korea, and pledge themselves mutually to abstain from all direct interferences in the internal affairs of that country." In the Anglo-Japanese A/lliance of 1902, again, the preamble read:— "The Governments of Japan and Great Britain, actuated solely by a desire to maintain the *status quo* and general peace in the Extreme East, being moreover specially interested in maintaining the independence and territorial integrity of the Empire of China and the Empire of Korea, hereby agree as follows. . . ." Even as late as 1904, in the Japan-Korean Protocol of that year, Japan declared, "The Imperial Government of Japan definitely guarantees the independence and territorial integrity of the Korean Empire." By that time, however, Japan so completely dominated Korea that the very next year she had only to make a pretence of asking for "control and direction of the external relations and affairs of Korea" to do away with the last vestige of that Korean independence and sovereignty which in fact had been an illusion ever since the Shimonoseki Treaty. The political extinction of Korea juridically, as well as in fact, came in 1910, when Japan euphemistically announced the "voluntary annexation" of Korea to the Japanese Empire. The case of Korea, in addition to revealing, by precedent, Japan's intentions regarding the future of the "independent regime" in Manchuria, provides also a striking illustration of the Japanese respect for solemn treaty undertakings.

OTHER ENCROACHMENTS ON CHINESE TERRITORY.

Japan, having obtained a firm foothold on the Asiatic mainland in Korea in 1895, next turned her attention to Manchuria, which territory

was also coveted by Russia. In 1904 the Russo-Japanese War broke out as a result of rival interests in that area, making a battlefield of Chinese territory which China was powerless to prevent. Russia's collapse led to the Treaty of Portsmouth, 1905, whereby Japan took over from Russia the latter's lease of the Chinese territory of Port Arthur, as well as Russia's interest in the southern portion of the Chinese Eastern Railway, which subsequently became known as the South Manchuria Railway. These acts represent Japan's first encroachment on Chinese territory.

On August 15, 1914, Japan joined the Allied Powers in the Great War, and demanded from Germany cession of the leased territory of Kiaochow, promising ultimately to restore it to China. Upon Germany's refusal Japan launched an expedition against the German base at Tsingtao. The expeditionary force, however, quite unnecessarily landed on Chinese territory 150 miles from its objective, and having taken Tsingtao, extended its occupation beyond the German leased area over a considerable portion of the Province of Shantung. Contrary to the promise contained in her Declaration of August 15, 1914, Japan claimed, and acquired by the Treaty of Versailles, all the former rights of Germany in China, which reward had been secretly promised her by the Allied Powers as the price of her co-operation in the Great War. Japan was thus able to profit at the expense of China, notwithstanding the fact that the latter had also joined the Allied cause. The vexed question of Japan's position in Shantung remained unsolved till the Washington Conference, 1922, when she was prevailed upon, mainly by the American and British delegates, to evacuate and restore that territory to China.

After this settlement, however, Shantung was not destined to remain in peace for long. Japan had never resigned herself to the retrocession of Shantung, and moved also by her disinclination to see a united China (which the first drive of the National-Revolutionary Army in 1927 against the Northern war-lords looked like achieving) she seized the occasion, under the pretext of preserving tranquillity and protecting Japanese lives and property, to despatch troops to Shantung, thereby obstructing the advance of the Revolutionary forces. Japan's interests, however, were not endangered, and her troops, having no plausible reason for remaining, were withdrawn in September, after an occupation lasting three months.

Upon the resumption of the Northern expedition under command of General Chiang Kai-Shih in 1928 Japan again seized upon similar pretexts to send armed forces to Tsinan, where they were stationed in the so-called "commercial zone" around the railway-station. In the state of tension which naturally accompanies foreign occupation of territory, Japanese troops provoked a conflict with the vanguard of the National-Revolutionary Army, in the course of which the Chinese Commissioner for Foreign Affairs was murdered, the city heavily bombarded, and thousands of Chinese civilians and soldiers killed and wounded. This was the infamous Tsinan Incident, which aroused intense indignation throughout China and which illustrates Japan's propensity for interference in China's internal affairs. Japanese troops were not withdrawn until May 1929, after one year of occupation.

THE TWENTY-ONE DEMANDS (1915).

Closely connected with the Shantung question were the notorious Twenty-One Demands presented by Japan to President Yuan Shih-Kai on January 18, 1915, the ultimatum of May 7, and the Agreements of May 25, 1915. Constituting the basis of Japan's alleged treaty rights in Manchuria, and the principal cause of subsequent conflict, this subject will be dealt with in detail in a later chapter.

Such in brief is the history of Sino-Japanese relations during the half-century preceding the present situation, the incidents recounted above being the principal high-lights of the period.

We now turn to more recent events—the Japanese invasion of Manchuria, erection of the puppet Manchu "Empire," and the hostilities in Shanghai. These events have received world-wide publicity; and are of such recent occurrence as to be still fresh in the minds of the great majority of people, calling for only brief reference here for preserving continuity of narrative. Despite the distorted accounts with which Japanese publicity has flooded the world, the facts stand out too clearly and incontrovertibly to admit of any doubt as to what had actually happened.

CHAPTER II
THE INVASION OF MANCHURIA.

THE MUKDEN "INCIDENT."

THE official 1934 *Yearbook of "Manchukuo"* summarizes the recent epochal events in Manchuria with all the naivete of a child's fairy tale in these words:— 'The climax came on September 18th, 1931 when a squad of soldiers under the command of General Chang Hsueh-Liang, the son of General Chang Tso-Lin, dynamited the S.M.R. track near Mukden. This incident proved to be the spark that set off the Manchurian powder-keg, and when the smoke had cleared away, the new State had risen from among the people long exploited by the former Mukden regime." But this ingenuous story calls for a little elaboration in the interest of historical accuracy. On the night of September 18, 1931, acting with a rapidity and precision which showed that plans had been premeditated and perfected in every detail, Japanese troops in the South Manchuria Railway zone—between 10 p.m., when the first shot was fired and nine o'clock the following morning—carried out a sudden attack on Mukden, destroyed the Northern Barracks, seized the arsenal and aerodrome, occupied the city, and posted on the walls lengthy proclamations (obviously prepared beforehand) denouncing the administration of the Three Eastern Provinces. By the following day other detachments of Japanese troops had established themselves at Newchwang, Antung, and Changchun, and seized all the important stations and junctions along the South Manchuria Railway, thereby securing firm hold of the two provinces of Liaoning and Kirin.

In order to justify their action, the Japanese militarists alleged that Chinese soldiers had destroyed several metres of the South Manchuria Railway track. The excuse, however, is so lame that it probably convinces only its own inventors. It is well-known that the Railway had been closely patrolled by special guards of the line, that Chinese soldiers had no access thereto, and that the train from Changchun arrived at Mukden station on September 18th at 22:20, precisely on schedule time, after having passed over the allegedly destroyed section.

LYTTON COMMISSION'S REPORT.

In this connection it is illuminating to turn to the League Commissioners' report of **their** investigations and conclusions. **"Appreciating,"** they wrote, **"the tense situation and high feeling which had** preceded this incident, and realizing the discrepancies which **are** bound to occur in accounts of interested persons, especially with regard to an event which took place at night, we during our stay in the Far East interviewed as many as possible of the representative foreigners who had been in Mukden at the time of the occurrences, or soon after, including newspaper correspondents and other persons who had visited the scene of conflict shortly after the event, and to whom the first official account had been given. After a thorough investigation of such opinions, as well as of the accounts of the interested parties, and after a mature study of the considerable quantity of written material and a careful weighing of the great mass of evidence which was presented or collected, the Commission has come to the following conclusions:—

"Tense feeling undoubtedly existed between the Japanese and Chinese military forces. The Japanese, as was explained to the Commission in evidence, had a carefully prepared plan to meet the case of possible hostilities between themselves and the Chinese. On the night of September 18-19 this plan was put into operation with swiftness and precision. The Chinese, in accordance with the instructions referred to on page 81,* had no plan of attacking the Japanese troops, or of endangering the lives or property of Japanese nationals at this particular time or place. They made no concerted or authorized attack on the Japanese forces, and were surprised by the Japanese attack and subsequent operations. An explosion undoubtedly occurred on or near the railroad between 10 p.m. and 10.30 p.m. on September 18, but the damage, if any, to the railroad did not in fact prevent the punctual arrival of the south-bound train from Changchun, and was not in itself sufficient to

* Appreciating the tense situation then existing between the Chinese and Japanese authorities, General Chang Hsueh-Liang sent telegraphic instructions on September 6, ordering the Chinese authorities to exercise special care in avoiding any clash with the Japanese troops. The said telegram was shown **to** the Commission at Peiping, and reads as follows:— "Our relations with Japan have become very delicate. We must be particularly cautious in our intercourse with them. No matter how they challenge us, we must be extremely **patient, and never** resort to force, so as to avoid any conflict whatsoever. You are instructed to issue, secretly and immediately, orders to all the officers, **calling their attention to this point."**

justify military action. The military operations of the Japanese troops during this night, which have been described above, cannot be described as legitimate measures of self-defence."

Meanwhile China, through her representative at Geneva, had on September 21, denounced the actions of Japan in Manchuria, affirming that "a situation has been created which required the application of the measures covered by Article n of the Covenant." In order to persuade the world that the incident was of no importance, and could be easily settled by direct negotiations between the two countries, Japan (while entertaining no idea of abandoning her plan of conquest) assured the Council of the League on September 24th that "she had withdrawn the major portion of her forces into the railway zone," and that she proposed to complete the withdrawal "as soon as the situation improved." In reality, she was relentlessly pursuing her plan of military occupation, resorting to every pretext to achieve her objects.

END OF CHINESE CIVIL AUTHORITY IN MANCHURIA.

After the occupation of Changchun and Kirin on the 19th and 21st of September respectively, the *Herald of Asia,* a semi-official Japanese publication, reported that the military operations were then regarded as complete, and that no further troop movements were anticipated. The invaders, however, had had an easy passage so far, and had no intention of marking time on the ground they had won. The military operations which ensued were attributed to Chinese "provocation," under such dubious pretexts as an anti-Japanese demonstration at Chientao on September 20th; the destruction of a railway-station at Lungsingtsun; and the explosion of bombs (which did no damage) on Japanese premises at Harbin on September 23rd; though there was no proof whatever that Chinese were responsible for the last two incidents.

Pleading the necessity of maintaining order in the invaded territories against the activities of alleged "bandits," the Japanese contended that they were forced to continue their military operations much against their will! The regular Chinese troops who were branded as bandits, and who tried to check the Japanese advances, were repulsed, and even isolated detachments which remained inactive were relentlessly pursued.

The last seat of the Provincial Government of Liaoning, which had been removed to Chinchow, was repeatedly bombarded on December 8, and eventually captured. Upon Japanese methods of warfare the League Commission reports as follows:— "According to the Japanese

account, the bombing was chiefly directed against the military barracks and the Communications University, where the offices of the Civil Government had been established. The bombing of a civil administration by military forces cannot be justified, and there is some doubt whether the area bombed was in fact as restricted as the Japanese allege." On their own confession, therefore, the Japanese had been guilty of a gross breach of one of the elementary rules of war. The Report continues:— "Mr. Lewis, an American Honorary Adviser of the Chinese Government, arrived at Chinchow on October 12, and wrote an account of what he found there to Dr. Koo, who passed on the information later to the Commission in his capacity of Assessor. According to Mr. Lewis, the military barracks were not in fact touched at all, and a multitude of bombs fell everywhere in the town, even on the hospital, as well as on the University buildings."

JAPAN SETS UP THE PUPPET REGIME.

Finally, to conceal her real designs, which made her overthrow the civil administration of every place occupied by her troops, and to replace it by puppet organizations of her own, Japan engineered a spurious "independence movement" and utilized these same puppets as the alleged representatives of the people in demanding secession of the Three Eastern Provinces from China. On March 1, 1932. the puppets proclaimed the establishment of the "State of 'Manchukuo.' " A declaration of independence, every line of which betrayed its origin, stated that the decision had been made "after thorough deliberations for several months past and after a number of meetings held by the leaders of Fengtien, Kirin, Heilungkiang, and Jehol Provinces, Harbin Special District, and also those under the various banners of Mongolia." A number of Chinese notables were either coerced into joining the bogus regime, or bought over, and Henry Pu Yi, who had been kidnapped from Tientsin during the disturbance fomented there by the Japanese early in November, 1931, was placed at the head as Chief Executive. With incontinent haste Japan on September 15, 1932, formally recognized the "independence" of Manchuria and the puppet State of "Manchukuo," her own creation. The same day a protocol was signed between Japan and the puppet regime, whereby Japan took upon herself responsibility of co-operating with the "Manchukuo army"—which is none other than the Japanese Imperial Army itself—in the task of assuring national defence of the occupied territory. Thus Japan by her own act

created a fictitious personality, sustained it solely by her own money and arms and, under a "Manchukuo" *alias,* proceeded with her predatory plans against China. The subsequent formal inauguration of a monarchy on March i, 1934, effected no real constitutional changes in the character and power of the shadow Government, the actual repositary of power being still the Japanese Government's representatives, while the "policy" of Changchun (or "Hsinking" as it is sometimes called) continues even to the smallest detail to be directed from the council-chambers in Tokyo.

JAPAN INVADES JEHOL.

It is a curious and, for China, dangerous fact that from the very beginning of the alleged "independence movement" in Manchuria neither Japan nor her protege has been able to define the borders of the supposedly independent "State." The League Commission, it will be remembered, after several fruitless requests to be shown a map of the area claimed to be included in the "State of Manchukuo," was vouchsafed only an informal reply by letter, which must remain for long a monumental example of evasion, stating that "the new State is bounded on the south by the Great Wall, and the Mongol Leagues and Banners in the same comprise Hulunbuir and the Leagues of Cherim, Chaota and Chaosatu and their Banners." The same uncertainty prevails today, but is convenient as a pretext for Japan to extend her inroads into Chinese territory. Jehol was named in the "Declaration of Independence" of March 1, 1932, even though still under the control of Chinese loyalists. Thus after Japan had entrenched herself securely in Heiiung-kiang, Kirin, and Liaoning, Jehol came in for attention. A pretext was soon found (or rather, created) for action. The disappearance of one Ishimoto, an officer attached to the Kwantung Army, on July 17, 1932, while on a mysterious mission to Peipiao, jn Jehol, was made the excuse for an invasion of the Province. He was alleged to have been kidnapped by Chinese volunteers. The Lytton Commission reports the Japanese version of their subsequent action as follows:— "A small detachment of Japanese infantry with light artillery made an immediate attempt to release him, but failed in their purpose, and the result was the occupation of a village on the frontier of Jehol by Japanese troops." Interpreted literally, this queer Japanese explanation of cause and effect is mystifying, but it clearly shows their poverty of excuse.

First came the attack on Shanhaikwan on January i, 1932; Chiu-mcnkou Pass, on the Great Wall, was taken ten days later. Sporadic bombings in Nanling, Chaoyang, and various parts of Jehol Province followed. On February 21 the Japanese launched their drive into Jehol by three routes, capturing Chengteh, the capital, on March 4. "By the occupation of the fourth Chinese province," says a well-known Chinese writer, "Japan had acquired territory equal to the combined areas of a dozen States such as Great Britain, Belgium, Denmark, the Netherlands, Portugal, Switzerland, Czechoslovakia, Latvia, Lithuania, Greece, Yugoslavia, and Esthonia."

A war-wearied China then gave up the unequal struggle between primitive weapons and immeasurably superior modern armaments, and concluded the Tangku Agreement of May 31, 1933, establishing a truce. For the moment the Japanese military machine rests, but disquieting pronouncements and incessant sabre-rattling by the war-lords of the Island Empire clearly indicate their intention to extend their sway through Charhar into Inner Mongolia, and push the southern frontier of their occupied territory beyond the Great Wall down to the Yellow River. South China, too, is being menaced by Japan from Formosa.

In this connection the Japanese Government's appropriation of Yen 12,683,584 towards secret service funds for the financial year 1934-5 —which represents five times the amount allocated in 1927 for the same purpose—is significant. Of this huge sum nearly 58 per cent goes to the army, and 14 per cent to the navy, practically the whole expenditure being devoted to secret service activities in Manchuria and Mongolia.

Reports from reliable sources in the North intimate that the Japanese are resorting to every available means to incite the princes, nobles, and chieftains in Inner Mongolia to sever relations with China and throw in their lot with the puppet State of "Manchukuo." It is probable that a very large part of the above funds will be utilized to suborn these Mongolian leaders, and purchase the allegiance of such as can be bought. The Japanese have also had recourse to other forms of bribery by offering feudalistic titles and other tempting baits, while various methods of pressure and intimidation have been used against those rejecting their suggestions. "A 'Special Political' organ," reports the *Asiatic Newsagency* in May 1934, "has been established in Eastern Mongolia by the Japanese for carrying out their intrigues for the annexation of Mongolia, with

branches at Linhsi and other points, and an efficient wireless station has also been installed in spite of the protests of the Mongols, who are beginning to see the ambitious plots of the Japanese. It is learned that a movement is now under fermentation by the Mongols to resist the invasion of the Japanese into their homeland, while the Japanese are also accelerating their military preparations and are ready to employ armed force to attain their ultimate object. At the same time anti-Japanese volunteer corps are again displaying new activities in many regions and steadily gaining influence, as the result of the sympathy of the people."

HOSTILITIES IN SHANGHAI.

While the invasion operations were proceeding in Manchuria, startling events were taking place in Shanghai. Japan's aggressive attitude towards China and persistent interference in her internal affairs culminating in the Japanese invasion of Manchuria, had stirred up intense indignation against Japan throughout the whole of China. The boycott weapon was taken up and very vigorously exercised, resulting in great losses to Japanese trade. Nowhere was this economic weapon utilized with greater enthusiasm than in Shanghai, the main entrepot for Japanese goods into the China market. In their helplessness to cope with this nation-wide and spontaneous refusal to buy their goods, Japanese merchants sought a solution of their difficulties by recourse to the means they had so consistently adopted in past dealings with China with considerable measure of success, namely, the use of force. Numerous petitions to break down the boycott by military action were addressed to Japan, which finally determined that country to start hostilities in Shanghai, with the object of forcing Japanese wares upon an unwilling market.

In the state of acute tension which had prevailed since the summer of 1931, various incidents occurred from time to time involving both Chinese and Japanese citizens in affrays of varying seriousness. Most of these collisions, it may be mentioned, were the result of studied provocation of Chinese citizens by Japanese subjects. On January 18, 1932, when the hostile atmosphere was most tense, five Japanese (some of whom were Buddhist monks) came to blows with a number of Chinese in front of the San Yu towel factory in Chapei; and before the police arrived on the scene one monk had been mortally wounded, and another Japanese seriously injured. On January 20, about fifty members of the Japanese Youth Protection Society, armed with daggers and clubs, proceeded to the San Yu factory to retaliate, setting fire

to the building, and assaulting the Chinese police, one of whom was killed. The same day a mass meeting of Japanese residents at the Japanese Club adopted a resolution asking their Government to send warships and military forces to suppress the anti-Japanese movement. The same afternoon the Japanese Consul-General presented to the Mayor of Greater Shanghai the following five demands concerning the events of January 18—a formal apology by the Mayor; immediate arrest of the culprits; payment of solatium and hospital bills; adequate control of anti-Japanese movements; and immediate dissolution of anti-Japanese organizations.

The Mayor of Greater Shanghai replied on the morning of January 21 that he was ready to consider the first three points, but found difficulty in complying with the other two. Later in the day a *communique* from the Japanese Admiral was published in the Press, copies being sent to the authorities of the International* Settlement, and the Bureau of Public Safety, stating that in the event of the Mayor failing to give a satisfactory reply and carrying out the Japanese demands without delay, the Admiral was determined to take appropriate steps to protect the rights and interests of Japan.

On January 24, Japanese naval reinforcements arrived in Shanghai, and the Japanese Consul-General communicated to the Mayor a threat of the same tenor as that made by the Admiral. Meanwhile the Mayor, who had expressed to neutrals his intention of making all possible concessions to avert a clash, was using every endeavour to induce the leaders of the Chinese community to put an end to the Anti-Japanese Boycott Association and delete the words "anti-Japanese" from the title of other bodies, as these words were regarded by the Japanese as a national insult. Accordingly, the Association was closed and the various offices were sealed by the Chinese police.

On January 27, the Japanese Consul-General demanded from the Mayor a reply by 6 p.m. on the following day, threatening in the event of default to take the necessary steps for enforcing the demands made on the 20th. Early in the morning of January 28 the Japanese Admiral notified the Commanders of the various national defence forces in the International Settlement that he proposed to take action the following morning should the Chinese reply be unsatisfactory. That notification led the Municipal Council to proclaim a state of emergency effective from 4 p.m. of that day. However, at 1:45 p.m. the Chinese authorities informed the Japanese Consul-General of their acceptance

of the Japanese demands in their entirety, *which the latter described to the Consular Body as "satisfactory!"* Accordingly, the grave anxiety which was felt during the preceding days was allayed* Calm was restored, and no danger appeared to threaten the city.

It would seem, however, that the Japanese had decided on action, notwithstanding the acceptance of their ultimatum, for at 11:25 p.m. on January 28 the Japanese Admiral sent to the Chinese authorities a demand for the withdrawal of Chinese forces stationed on Chinese territory in Chapei. At 11:50 p.m., about half-an-hour after the dispatch of the Admiral's communication—an allowance of time which was entirely inadequate even if the Chinese had decided to yield to the exigency of the moment—Japanese armed forces, supported by machine-guns, invaded the Chinese territory of Chapei. They first attacked the police, and then the regular Chinese troops who, though surprised by the sudden unexpectedness of the attack, nevertheless held themselves strictly on the defensive.

The Committee of neutral observers, — comprising the Consuls-General for Great Britain^ France, Germany, Spain and Norway, under the chairmanship of Count G. Ciano di Cortellazo, dien Charge d'Affaires for Italy—which was set up under Article XV, Paragraph 1, of the League Convenant to investigate matters on the spot, wrote as follows on the Japanese operations and the reign of terror they created:— "The marines and reservists responded to the sniping of the Chinese plain-clothes soldiers by machine-gun fire, and also by house-to-house searches *to* locate the snipers, in the course of which very considerable damage was done, houses even being set on fire to dislodge the snipers. The Japanese na,val authorities took complete control of the Hongkew District *inside* the Settlement, barricading streets, disarming police, and paralyzing all other municipal activities of the Settlement authorities, including the fire-brigade. . . . Numerous excesses, including summary execution, were committed by marines, reservists, and roughs, the last-mentioned, who had no official standing, being actuated by a mere spirit of revenge against the Chinese for earlier anti-Japanese activities. A reign of terror resulted, and almost the entire non-Japanese population ran away." This report constitutes weighty and reliable testimony of Japanese methods of waging an illegal, undeclared war.

From such beginnings the Japanese military adventure in Shanghai assumed larger proportions from day to day, under the pretext of

"protecting" the International Settlement which they used as a base of operations in violation of the Laws of Neutrality in War. Their operations resulted in the wiping-out of the entire districts of Woosung and Chapei. There, in an area where formerly thriving industries supporting a dense population existed, the battle-scarred ruins still bear silent testimony to the ruthlessness of the Japanese military machine. Numerous densely-populated villages in the vicinity of Shanghai were razed to the ground, and the industrial activities of the city were so disrupted that trade recovery is even today a long way off. In the weeks that ensued, till active hostilities were brought to an end by the Sino-Japanese Agreement of May 5th, 1932, Japan proceeded to commit acts of vandalism, including the destruction of libraries and schools and attacks on hospitals. As a result of Japan's military operations the Chinese casualties, of whom more than half were non-combatant civilians, reached the huge total of 24,200 killed and wounded, while the destruction of property amounted to over $1,500,000,000.

In conclusion it is necessary only to add that, far from being accidental in origin, or provoked by Chinese troops, as Japan would have the world believe, the campaign in Shanghai was deliberately planned as an act of terrorism. Japan had been led by her easy conquest of Manchuria to underrate the calibre of China's fighting-men, and to think that a, demonstration of force would intimidate the Chinese into buying Japanese goods once more. It was only because of open opposition by the Powers that Japan gave up the idea of forcibly exacting a Concession in Shanghai. Proof of premeditated military action is to be found in an official statement given to the Press by the Intelligence Office of the Japanese Landing Forces in Shanghai on January 24, 1932, which revealed that the invasion of Chinese territory had been contemplated and worked out in theory days before its execution. It reads as follows:—

"We arc trying to effect amicable settlement of the perplexing situation now existing between Shanghai and Japan's forces *(sic)*. In the event of failure of diplomatic measures in straightening out our differences, Japanese forces will adopt action that will be intended to do what diplomacy fails to accomplish. We will take over control of Chinese territory immediately surrounding the Foreign Settlements of Shanghai, and by Japanese martial law we shall enforce Admiral Shiozawa's demands. We are determined to have the Admiral's orders obeyed. If

his demands are not met, we shall seize control of the Tangpu of **Greater** Shanghai, and force the Chinese to obey his commands through persuasion of force. Anti-Japanese propaganda must be stifled, and anti-Japanese organizations must be disbanded; otherwise our soldiers will see that these measures are effected.

"Simultaneously with our marching into Chinese-controlled territory, a flash will be sent to Sasebo, which will send 17 additional ships speeding to Shanghai to join the ten that will already have been gathered here in the Whangpoo. Other ships will come here as they are needed. In the meantime Japanese ships and Japanese armament will ensure our country against anti-Japanese propaganda and action."

CHAPTER III.
RECOGNITION OF "MANCHUKUO."

THE strongest pressure is being exerted, both diplomatically and militarily, by Japan to coerce China into giving formal recognition of the puppet regime in Manchuria. By devious methods Japan is working also to secure both *de facto* and *de jure* recognition for "Manchukuo," from whatever source this may be forthcoming. With this end in view, Japan for several months past has been seizing every pretext for disseminating rumours that Washington, London, Berlin, Paris, Warsaw and other capitals are seriously pondering the question of throwing overboard the "non-recognition" doctrine which they, along with over forty other States, solemnly and deliberately subscribed to at Geneva on February 24, 1933. Rumours from such obviously dubious sources, however, have been contradicted in every instance, official denials being not only prompt to nail the lie but also to reaffirm loyalty to the League's decision.

ATTITUDE OF THE UNITED STATES.

That Washington is not making any concessions to Japan which would savour of any breach of faith to China is shown by the attitude taken up by that Government in regard to the Far Eastern question. The Hirota-Hull Notes of February 21 and March 3, 1934, which were published on March 21, expressing the intention of the two nations to settle all outstanding issues between them in a friendly manner, was at the time construed in some quarters as showing that the Roosevelt Administration was inclined to discard the non-recognition policy of the former Secretary of State, Colonel Henry L. Stimson.* The United States memorandum of April 29 to Tokyo must, however, dispel that idea. That memorandum also explains the following significant statement in Mr. Hull's note: "I feel that I should also avail myself of this opportunity to express my earnest hope that it may be possible for *all the countries* which have interests in the Far East to approach every

*See Appendix I.

question existing or which may arise between or among them in such spirit and manner that those questions may be regulated or resolved with *injury to none and with definite and lasting advantage to all!'* This clearly denies Japan's claims to any exclusive or special rights in Manchuria or elsewhere in China.

There is evidently no sign of the present Administration at Washington departing from the policy declared in the identical Notes sent by its predecessor to Japan and China on January 7, 1932, to the effect "that it cannot admit the legality of any situation *de facto* nor does it intend to recognize any treaty or agreement entered into between those Governments, or agents thereof, which may impair the treaty rights of the United States or its citizens in China, including those which relate to the sovereignty, the independence, or the territorial and administrative integrity of the Republic of China, or to the international policy relative to China, commonly known as the Open-Door policy; and that it does not intend to recognize any situation, treaty or agreement which may be brought about by means contrary to the covenants and obligations of the Pact of Paris of August 27, 1928, to which treaty both China and Japan, as well as the United States, are parties." In the light of that unequivocal pronouncement of her attitude, a *volte-face* in the traditional policy of the United States—such as recognition of "Manchukuo" would mean—is most improbable.

American opinion is summed up in the following editorial appearing in the New York *Herald Tribune* on January 22, 1934:—

> "Granting almost any argument that Japan's spokesmen put forward, neither this Government nor any other party to the Nine-Power Treaty, could have much to say about the sanctity of treaties if 'Manchukuo' were formally or informally recognized while the Nine-Power Treaty stands. Granting for instance that the Kellogg Pact is the expression of a pious hope, granting that the League Covenant is a pacifist's comedy of errors, granting that the Nine-Power Treaty takes into account a China that never did and never will exist, and even granting that Japan's action in Manchuria and Jehol was wholly defensive, which was a large order, the fact still remains that this country is still bound by the Nine-Power Treaty to keep good faith with six Powers besides Japan and China in maintaining China's 'territorial and administrative integrity'. By entering into treaty relation with 'Manchukuo,' Japan violated this provision and broke her faith with seven Powers other than China, thereby casting doubt upon the worth of her signature upon every other treaty that bears it.

American recognition of a situation in Manchuria that has resulted from a treaty violation, however beneficent the situation may now appear to be, would not only make the United States party to Japan's breach of faith with this country, but would violate America's pledge to six others besides Japan and China."

That Japan is having recourse, not only to diplomatic but to every possible means, to exert pressure on the United Sta,tes to alter its traditional policy in the Far East is well known. In this connection a recent report in the *China Weekly Review* is specially interesting. "Americans interested in trade in the former Chinese provinces" it states, "are being handicapped in their activities in numerous ways. Even the American missionary bodies and the Y.M.C.A., which previously functioned in Manchuria as branches of parent bodies with headquarters in Peiping, Tientsin, or Shanghai, have been compelled to cut loose from their long-established China connections and take their orders from headquarters in Japan where Japanese influence is predominant. American firms in Manchuria which formerly operated as branches of parent organizations in China Proper are being compelled to cut loose and either establish independent offices in Dairen or become branches of concerns with headquarters in Japan. No longer can American or other foreign firms supply stocks to Manchuria from warehouses in Shanghai or Tientsin. All of these things involve extra expense and a change in methods of doing business in the Far East, hence faced with the necessity of making a decision between principles or profits, most business-men sacrifice the principles, and in the hope of improving their position urge upon Washington the recognition of 'Manchukuo.' But Japanese pressure extends much farther than mere interference with business-men and missionaries. Japan is making a strong bid for naval parity, threatening to upset the balance which was established at the Washington and London Conferences. Japan is raising questions even about certain phases of American commercial and cultural activities in China,, seeking to establish her position as dictator in the Far East. All of these moves constitute pressure upon the United States to alter long-established policies, some affecting even the conduct of American official organs, as the Japanese are trying to force the State Department to transfer its Manchurian Consulates to the Embassy at Tokyo instead of the Legation at Peiping."

BRITISH ATTITUDE TOWARDS RECOGNITION.

Although there are undoubtedly strong currents of opinion among reactionary circles in Great Britain which evince considerable sympathy for Japan's display of imperialism in the East; and although Sir John Simon, the Foreign Minister, has from the very inception of the present Sino-Japanese dispute shown himself remarkably ingenious in damning China's cause with faint praise while applauding Japan by tepid criticism, the attitude officially taken by the British Government has been unimpeachably correct. There is, for instance, the problem of international postal relations with the puppet State of "Manchukuo." To sound British official opinion in the matter of recognition of the spurious "Government" in Manchuria, Japan released a trial balloon in the early part of 1934. A communication from the British Government to the Secretariat of the League of Nations, dated January 8, reveals that it had received from a Mr. Fujiwara, "Director of Posts" at Changchun, a request to be furnished with statistics in accordance with the provisions of the International Postal Union, with a view to liquidation of transit payments in respect of mails through "Manchukuo." While appearing at first sight to be a purely departmental matter, it raised the issue of *de facto* recognition. The British Government, therefore, reaffirming its intention not to take any action that would in any way imply recognition of the "Manchukuo" regime, referred to the League Advisory Committee* the question of the extent *de facto* relations were permitted between foreign postal administrations and the Manchurian postal authorities, without "involving, by implication, or otherwise, the recognition of the Manchurian regime."

In response to the above request M. Joseph Avenol, Secretary-General of the League, convened a meeting of the Advisory Committee on May 14, 1934. The resolute stand of the United States representative, Mr. Hugh Wilson, anent the original draft proposal submitted by Great Britain on the subject, resulted in considerably stiffening its terms, to defeat the efforts of certain interests sympathetic to Japanese imperialism. On May 16, the Committee decided that the postal question was essentially not a concern for the Governments, and could be settled by the postal departments concerned, without necessarily involving political issues,

*The Advisory Committee referred to was established on February 24, 1933, to advise and otherwise assist the League Assembly in its task of seeing the Resolutions of the League in regard to the Sino-Japanese dispute upheld.

"provided it was made clear that negotiations for postal relations were not to be construed as any measure of recognition of the 'new State*". The Committee's decision also ruled that: (1) The "Manchukuo" Department of Communications cannot appeal against the provisions of the Universal Postal Union, (2) the postal administrations of countries who are members of the League of Nations are not precluded from temporary measures for postal correspondence involving transit through Manchuria, and such measures shall be purely administrative and technical, not as between States or Governments.

In view of the vast community of interests that bind the two great Anglo-Saxon nations, and the repeated assurances by Sir Alexander Cadogan, British Minister to China, that his country will adhere to its original stand on non-recognition of "Manchukuo," it is reasonable to conclude that, notwithstanding all the agitation by British reactionaries and imperialist die-hards, Great Britain will not betray the League, nor adopt a line q£ policy in conflict with that of the United States in respect of the Far East.

A .striking instance of the agile opportunism of Japanese propaganda is to be found in a recent incident, when Japanese newspapermen took advantage of the visit of the Polish Minister in Japan to the Polish Consul-General in Harbin early in 1934, to fabricate a report alleging that he had confided to them the purpose of his visit as being the discussion of plans for the recognition of "Manchukuo"—a step which he would strongly recommend to Warsaw. The Polish Minister to China, M. Georges Barthel de Weydenthal, took such a serious view of this report that he wrote to his colleague in Tokyo for confirmation, and was informed that the story was an absolute fabrication. Moreover, to remove any possible misconception, the Polish Minister thought it necessary to make a special journey from Shanghai to Nanking to assure President Wang Ching-Wei, that his country's policy in regard to Manchuria remained unchanged.

THE QUESTION OF SIAM'S ATTITUDE.

While all the nations assembled at Geneva, voting on the League Resolution of February 24, 1933, which condemned Japan's action in Manchuria and enjoined the famous "non-recognition" principle on its members, supported the motion, it will be recalled that one solitary Asiatic Power abstained from voting, Siam. This singular action aroused considerable comment throughout the world at the time, and was

the cause of much gratification among Japanese statesmen who, hard pressed for moral support of their action in Manchuria, were hugely delighted with the Siamese attitude, and attached to it a significance that perhaps only their excessive elation over such unexpected "face-saving" could explain. But did this represent a victory for Japanese diplomacy? One is inclined to wonder whether Siam's abstention from voting did not come as a surprise to Japanese as much as to the other statesmen assembled in Geneva. The reasons which dictated Siam's action are obviously something other than hostility towards China, for which there exists no ground whatever. Rather, one should look for the motive of this unique attitude in the solution suggested by the League for liquidation of the Manchurian imbroglio. It will be remembered that the League evolved a compromise which proposes League control of Manchuria, while at the same time adequately safeguarding Japanese economic interests, and preserving the integrity of China's sovereign rights over the territory. Siam, realizing its delicate position hedged between the possessions of two strong Powers, Great Britain and France, probably thought it inadvisable in her own interests to sanction a precedent for the machinery of League control. Certainly she could entertain no sympathy for aggression to which she is herself such a likely victim. Moreover, Siam has long been aware of Japan's designs against that kingdom, and the League having shown its ineffectiveness to enforce any sanctions against aggression, Siam had no alternative but to avoid, by all means in her power, giving Japan a handle for hostile action. One cannot therefore, compare Siam with other lesser Powers in remoter parts of the globe, by reason of the former's uncomfortable proximity to Japan. But the important question of the moment is:—"Does that attitude afTord any indication of the likelihood of Siam recognizing 'Manchukuo'"?

After weighing the pros and cons, the answer appears to be in the negative. Firstly, Siam as a member of the League of Nations could hardly wish to take a step totally incompatible with her obligations under the Covenant, unless she seriously contemplates following Japan's way out by resignation. Of such intentions there is not a shred of evidence. Moreover, unless a nation is really formidable enough in arms to protect herself against all external aggression, her safest place is still within the League, emasculated though the Covenant may be through the readiness of the Great Powers to sacrifice principle to ex-

pediency. Furthermore, economic advantage is much heavier on the side of friendship with, than antagonism to, China. Siam's trade with Manchuria is at present practically negligible, so the accord of recognition to the new regime on grounds of commercial gain need not be seriously considered. Japan, moreover, has recently imposed a complete embargo upon the importation of rice; which is, by far, the principal commodity received from Siam. This step alone costs Siam an annual loss of over 12 million yen. Japanese demand for teak wood, which constitutes the next largest item, is also diminishing heavily and steadily. In an interview at Singapore on April 5, 1934, Phya Indra Vijit, the retiring Siamese Minister to Japan, admitted that the dumping of cheap Japanese goods has also extended to Siam. In that country, Japan's economic penetration has doubtless created an acute industrial problem, the condition being fortunately relieved to some extent by the fact that Siam's commercial activities are more agricultural than industrial. However, Siamese *rapprochement* with Japan would not only fail to bring about any expansion of Siam's exports of her staple products, rice and timber, but would lead to a further increase of Japanese dumping and economic penetration, and consequent strangulation of Siam's infant industries. A case in point is the embargo on Siamese rice—which is Japan's way of showing gratitude for Siam's abstention from voting in Geneva, only twelve months before. On the other hand, China offers a practically unlimited market for Siam's exports, and the immediate proximity of the two countries readily lends itself to extension of trade on both sides. There are several millions of Chinese in that country who are Siamese subjects, and who as the business gentry constitute an important source of wealth and stability in the national economy of Siam. It is very unlikely, therefore, that their sentiments would be entirely ignored, and outweighed by an advantage which is at most only conjectural and illusory.

THE CONSEQUENCES OF RECOGNITION.

Although the whole world is out of sympathy with her at present, it is nevertheless Japan's hope that, in time, the international existence of "Manchukuo" will come to be accepted throughout the world as inevitable, that the present opposition will wear itself out, that bribes and lavish promises of economic advantages on the one hand, and secret pressure (directly and indirectly applied) on the other, will foster sym-

pathy for the recognition move, and that *de facto* recognition will be eventually accorded, to be followed by *de jure* recognition in due course.

It is essential, however, in the interests of international security and good faith, that Japan's hope should not be realized, however long she may be content to await its fruition. After the demonstration of aggression and callous disregard for treaty covenants to which the world has been treated since September 18, 1931, it would be dangerous in the extreme for any nation to turn a blind eye to the Manchurian situation, or in the smallest degree connive at Japan's lawlessness. It is essential that wars of aggression, renounced in solemn and unequivocal terms in treaties, should have no place in the intercourse of civilized nations. It is essential that a powerful nation shall be bound by international law as much as a. weaker one—indeed, even more so, since it cannot be coerced into obedience. It is essential that a puissant State shall recognize the sovereign rights of a weaker neighbour over its own territories, instead of sending its armed hordes to pillage and burn, and commit wholesale devastation, murder and all the other horrors of war. In short, it is essential that nations, no less than individuals, should be amenable to Law.

However much certain interested parties may wish to believe in their ability to make profit out of official recognition of the puppet regime in Manchuria—a fact they have been led to expect by the "promises" of Japanese diplomats and other propagandists—they certainly cannot close their eyes to the implications of such recognition. Such a step will mean that the recognizing State approves and condones Japan's violations of China's sovereignty, ;and Japan's violations of obligations under treaties and international law; that it identifies itself with Japan's dishonour; and that it becomes the latter's accomplice. Such a step will mean putting a premium upon lawless aggression; it will constitute a perpetual precedent for States desiring to ignore inconvenient treaty obligations; and, of course, it will mean a clean sweep of the last remaining vestiges of the binding nature of the League Covenant, the Nine-Power Treaty, and the Pact of Paris as well as administering the *coup de grace* to the League of Nations.

That Japan has been able to give an unparalleled display of aggression with impunity since 1931 has been mainly responsible for the feeling of mutual distrust and insecurity which prevails so generally among the nations today. This is the view of Mr. Waiter Lippman,

one of the leading American writers on international affairs, who declared, in a recent article in the New York *Herald-Tribune,* that the "race in armaments is not a threat, but a reality," and attributed this fact to the Japanese violation of the anti-war Pact of Paris by her invasion of Manchuria, thereby destroying the very foundations of the Washington Naval Treaty, and laying the basis for an armaments race between the two leading Powers in the Pacific.

CHINESE GOVERNMENT'S ATTITUDE.

Mr. Wang Ching-Wei has voiced the attitude of the Chinese Government towards the puppet regime in his declaration of March i, 1934, when he characterized Pu Yi's assumption of the "Imperial" title as an act of high treason against the Chinese Republic, and affirmed that China would take an inflexible stand against any step implying, or savouring of, recognition of "Manchukuo." "The same may be said of the European and American Powers," added Mr. Wang, "with whom the principle of non-recognition of 'Manchukuo' has become an iron-clad rule of international morality, any deviation from or violation of which must surely reflect on the national honour of the State concerned." That the President of the Executive Yuan has not misplaced his confidence in the honour of these Powers to refuse to be accessories to Japan's international breach of faith and treaty violations is thus far proved by the instant contradictions of lying propaganda which have been forthcoming from the capitals of the world.

Self-respect and self-interest, no less than altruistic motives, dictate that every nation shall take no step which will prejudice or militate against China's attitude. For China came to the League as the acknowledged trustee of international order and justice. She stands fox a principle that represents the common weal. She has kept the Covenant, she has offered and still offers in unambiguous terms to adopt and carry out any programme that may be formulated, and applied by the League for the peaceful adjustment of her differences with Japan. She has placed herself unreservedly in the League's hands. China asks only to be allowed to work out her destiny in peace, and free from external interference—in the words of the Nine-Power Treaty "the fullest and most unembarrassed opportunity to develop and maintain for herself an effective and stable Government." * That the justice of her case is undeniable is the view of the 42 nations who voted un-

* See Appendix I I .

animously for the League resolution of February 24, 1933. On the other hand, Japan, one of the signatories of the Covenant, the Pact of Paris, and the Nine-Power Treaty, has ravaged China's territory, destroyed her territorial and administrative integrity and her political independence, while Japan's occupation of Manchuria, so long as it lasts, will be a continuous threat to China's very existence as a nation. After arduous delays, China won a diplomatic and moral victory at Geneva. Japan, as the protagonist of a system which has been formally and deliberately discarded by the majority of Powers (including herself) stands condemned because her appeal to arms cannot be reconciled with the new order of things recorded in and safeguarded by solemn treaties, upon which the hope of the civilized world for peace now rests. Nevertheless, China's victory was an empty one, because delay robbed the verdict of its chief virtue, namely, efficacy.

Japan knew beforehand that she had no case, so her statesmen were instructed to tread the shadier paths of diplomacy in order to delay the verdict. In this they were eminently successful, as the whole world is aware. The sending of a Commission of Enquiry to the theatre of conflict was proposed by the Japanese Government to the League Council on November 21, 1931, but the verdict was not given until February 24, 1933. Thus the League was seized of the Sino-Japanese issue for a total period of seventeen months—eloquent testimony to Japan's success in playing for time.

But why has the delay robbed the verdict of its efficacy? Because the delay enabled the Japanese military, under the pretext of suppressing "the activities of bandits and lawless elements" to overthrow Chinese civil authority in the North-Eastern provinces, and to entrench and consolidate their position there—while the whole issue was still *sub judice.* The result is that the verdict, when at last given, was faced with a *fait accompli,* and nought is left of its sanction but the moral force that it gives. Japan has tendered her resignation from the League because the world fails to see eye to eye with her on the subject of her action in Manchuria, and because the world still refuses to insult its own intelligence and credulity by even subscribing to a half-hearted acceptance of Japan's case.

DUTY OF THIRD PARTIES.

Japan has taken Manchuria by force of arms, and there was virtually none to say her nay—a remarkable tribute to the policy of *Vi et Armis* in

this age of international peace machinery and non-aggression pacts. The Report of the Committee of Nineteen, appointed by the League of Nations, is beyond dispute the gravest indictment of aggression ever written, seeing that it received the deliberate vote of forty-two non-disputant States, as well as the United States' endorsement of the Assembly vote. Why, then, does not judgment follow the verdict? Why does not civilization impose its sanctions on the wrongdoer? Why does Japan proceed smoothly step by step with her plans in Manchuria without let or hindrance from any Power? The answer is that no country is prepared to implement its treaty obligations by positive action of any sort against the delinquent. Betrayal is a harsh term to use, but can any impartial observer of the Sino-Japanese dispute escape the conclusion that the League Covenant, as a bond and mutual guarantee, has met that unhappy fate? Article X of the Covenant stipulates: "The members of the League undertake to respect and preserve as against external aggression the territorial integrity and existing political independence of all members of the" League." This Article states categorically that League members are bound to preserve each other's territorial integrity against external aggression. China has had a huge tract of territory—the size of France and Germany together—torn from her by aggression. Have the States in the League been true to their undertakings to come to her aid? Have they fulfilled, or made any attempt to fulfil, their obligation to boycott the aggressor, as provided for under Article XVI—although Japan clearly resorted to war in disregard of her obligation to keep the peace?

It is undoubtedly true that none of the major European Powers nor the United States would care to risk individually a passage of arms with the Island Empire. Nevertheless, they are not absolved from doing what lies within their power, and the European States have sedulously refrained from doing even that. Action, strong and decisive in the incipient stages of the struggle, would definitely have nipped Japan's plans in the bud. Severance of diplomatic relations might have sufficed; an embargo on export of arms and withholding of credit facilities would almost certainly have succeeded in inducing Japan to desist, for each successive stage of the Japanese advance was merely in the nature of a feeler. Had the League members, especially the leading European Powers, troubled to make it clear that they would insist on acrupulous respect for the Covenant, a Geneva resolution would have been quite

sufficient to roll back the first waves of the Japanese invasion. Instead, Japan received what amounted to tacit encouragement from most of the Great Powers, with the exception of the United States. The inaction of the nations encouraged Japan to proceed from one outrage to another until the heavy wine of successful militarism turned her head. Japan has added to her injury of international peace an insult to the collective intelligence of the world by alleging its inability to appreciate the Manchurian situation. Failing in law and in reason, she would constitute herself the best and sole judge! By her intransigeance she has aligned against herself the moral judgment of civilization, but thinks she can use her might to crash into the good graces of the world again. Whether she is right or not in this belief, only time can tell. But one fact stands out clear. By its decision to give or withhold recognition of "Manchukuo" every nation will be judged. Despite the failure of the first test of loyalty to their bonds, China's faith in the general goodwill of the nations remains unshaken. It will take another catastrophe to make her confess a cynicism which leaves no room for trust in another nation's regard for its own reputation.

CHAPTER IV.
MANCHURIAN ISSUES BETWEEN CHINA AND JAPAN.

I
JAPAN'S CLAIM TO SPECIAL PRIVILEGES.

ALL the fundamental issues between China and Japan about Manchuria can be traced back to the question of interpretation of treaty relations between the two countries. From time immemorial Manchuria has been recognized, legally and in fact, by the whole world, including Japan, as part of China. Manchuria being admittedly Chinese territory, Japan's interests therein must necessarily depend for their validity on some recognized legal basis, and the only such basis is a treaty.

The instruments which have provided the subject-matter of such long sustained controversy are the Sino-Japanese Treaty of Commerce and Navigation, July 21, 1896, with an annexed Protocol of October 19 of the same year; the Supplementary Treaty of Commerce and Navigation of October 8, 1903, with its annexes; the Treaty of Peking, December 22, 1905; the Agreements of September 4, 1909, and the Treaties and Notes of May 25, 1915, which were the sequel to the Twenty-One Demands. Of these only two are of real importance, namely, the Peking Treaty of 1905 and the Twenty-One Demands, which are inseparably wrapped up in one another. The Treaties of 1896 and 1903 have expired by lapse of time and otherwise, and are only mentioned here because of Japan's persistence in refusing to accept the fact. The question of treaty relations is important because world opinion is inclined to be misled by widely-circulated Japanese propaganda alleging that the sudden flare-up at Mukden on September 18, 1931, with the subsequent occupation of Manchuria and the Shanghai area by Japanese forces, were in large measure due to violation of Japanese treaty-rights in Manchuria, notably of the alleged "Secret Protocols" of 1905. Japan has repeatedly asserted that "China has, through the ignoring of unsettled issues and disregard of treaty obligations, incited the indignation of the Japanese people and forced them to seize Manchuria." Distant observers

abroad, unfamiliar with the historical background of the Sino-Japanese controversy which led to the present crisis, are apt to think that encroachments of treaty rights and violations of international pacts should be condemned; that since China has made certain treaties, no matter how unfavourable, she must abide by them unless abrogated by common consent of the parties concerned. But what are these alleged treaty-rights? How were they secured from China? These are questions which many people abroad are not in a position to answer, and in view of the lack of definite information relating to the complexities of the controversy over Japanese rights in Manchuria, a brief and precise statement of the facts will tend to clear up the misunderstanding of the Manchurian situation which exists in many quarters.

THE TREATY OF PEKING, 1905.

Sino-Japanese treaty relations relating to Manchuria date back to September 5, 1905, when by the Treaty of Portsmouth Japan succeeded, as a result of her victory in the Russo-Japanese War, to all the rights and interests held by Russia in South Manchuria prior to that conflict. This transfer of Russian rights to Japan was sanctioned by China by the Treaty of Peking, signed on December 22, 1905. By the Treaty of Portsmouth Russia assigned to Japan what is now called the Kwantung Leased Territory, comprising the southern tip of the Liaotung Peninsula, including Port Arthur and Dairen—an area of about 1,337 square miles; in addition, Russia transferred to Japan the southern portion of the former Sino-Russian railway from Changchun to Port Arthur, now known as the South Manchuria Railway, together with all Russian rights and privileges attached thereto. The original Sino-Russian Agreement stipulated for a lease of the Kwantung area for 25 years from 1898, hence it was recoverable by China in 1923; the concession for the Sino-Russian railway, of which the present South Manchuria Railway was but the southern section, was granted for 80 years from the date of completion, which took place in 1903, so that it is recoverable by China in 1983; and lastly it was provided that China might recover the railway by purchase 36 years after completion, that is, in 1939.

Under the Treaty of Peking the Chinese Government, in addition to giving its consent to the transfer of Russia's rights to Japan, conceded to the latter the right to reconstruct and control the Mukden-Antung railway for 15 years from completion of its improvement, reserving, however, China's right of repurchasing the line at the end of the period

(i.e. 1923-24) at a price to be determined by a foreign expert to be mutually agreed upon by both parties.

The terms of the original Sino-Russian railway agreements governing railway construction, the nature of the jurisdictional authority exercised, and the area over which such jurisdiction existed, were unfortunately very loosely drawn up, with the result that Russia had given a one-sided interpretation of certain important clauses greatly to the disadvantage of China. A series of controversies had thus arisen even before the Russo-Japanese War, while others have arisen since; but not one has ever been settled. It may be mentioned that the acquisition by Japan of the spoils of the Russo-Japanese conflict led to the establishment of the South Manchuria Railway Company by Imperial Decree in 1906, to take over and administer the former Russian controlled railway as well as the Antung-Mukden line. The Japanese Government acquired control of this company by taking half the shares in exchange for the railway, its properties, and the valuable coal-mines at Fushan and Yentai. The Company was entrusted, in the railway area, with the functions of administration, and was allowed to levy taxes; it was also authorized to engage in mining, electrical enterprises, warehousing, and many other branches of business. It was the exercise by the Japanese over the railway zone—and often beyond it—of a number of other alleged rights that led to frequent friction between China and Japan.

EXTRA-TERRITORIAL JURISDICTION OVER KOREANS.

The enjoyment of these extensive privileges was directly increased shortly afterwards by Japan's annexation of Korea in 1910, and subsequently by the presentation of the Twenty-One Demands in 1915.

Early in August, 1909, Japan started to construct the Mukden-Antung Railway by independent action in defiance of Chinese rights —an act which, in conjunction with various other controversial matters, led to high tension between China and Japan. A partial solution was effected by the conclusion of two agreements on September 4, 1909. These Agreements are worth mention because one dealt with the status of Koreans in Manchuria, a question which even then was a fruitful source of friction in Sino-Japanese relations. In what has now become generally known as the "Chientao Agreement," the Tumen River was accepted as the boundary between China and Korea, and Koreans residing north of that River and engaged, in agriculture were declared to be subject to Chinese jurisdiction. However, this question was no sooner

settled than it was re-opened. After the annexation of Korea, the Korean settlers became Japanese subjects, thereby indirectly increasing Japan's rights in Manchuria. Claiming to be exercising their extra-territorial jurisdiction, Japanese diplomatic and military representatives, with their troops, railway guards and Consular police, repeatedly interfered with the Chinese civil authorities in the exercise of their functions.

THE TWENTY-ONE DEMANDS: TREATY AND NOTES OF 1915.

Then came the Twenty-One Demands, and the Treaty and Notes of 1915. The history of these "Demands" is too-well known to require re-telling in detail. Suffice it to say that on January 18, 1915, without any provocation on the part of China, or the occurrence of any incident to justify Japan's action, and without any form of preliminary negotiations whatever, the Japanese Minister suddenly presented to the President of the Chinese Republic a list of "exceptional demands" divided into five groups. The Demands which were calculated to confer the most extraordinary and excessive rights on Japan and her citizens, were so outrageous in character and so derogatory to China's sovereignty that if accepted in their entirety they would have enabled Japan to overrun China with her military forces, crush all independent Chinese Government institutions, and set up Japanese-controlled administrations in the Chinese provinces—much in the same fashion as Japan is operating in Manchuria today. Upon China's refusal of these demands, Japan presented an ultimatum on May 7, threatening to "take such measures as the Imperial Japanese Government may deem necessary" in the event of no satisfactory reply being received before 6 p.m. on May 9. Under pressure which he was unable to resist the President was compelled to sign a Treaty and to exchange Notes with Japan on May 25, giving way to the latter's claims regarding South Manchuria and Eastern Inner Mongolia. By these Agreements the lease of the Kwantung Territory, including Port Arthur and Dalny (now Dairen), which was originally for a period of 25 years, and the concessions for the South Manchuria and the Antung-Mukden Railways, were all extended to 99 years, while China's right of repurchasing the South Manchuria Railway in 1939, and the Mukden-Antung line in 1923-24 was revoked. Furthermore, Japanese subjects in Manchuria acquired the right to travel and reside, to engage in business of any kind, and to lease land necessary for trade, industry, and agriculture. Japan also obtained rights of priority for railway and certain other loans in South Manchuria and Eastern Inner

Mongolia, and preferential rights regarding the appointment of advisers in South Manchuria. At the Washington Conference, 1922, however, Japan relinquished these claims regarding loans and advisers.

Just as the Versailles Peace Treaty, signed by President Wilson but not ratified by the American Senate, does not bind the United States China's contention is that the Sino-Japanese Treaty of 1915 is similarly invalid, because Yuan Shih-Kai exceeded his constitutional authority in signing the treaty without the consent of the Legislature. Accordingly, the Chinese Delegation to the Washington Conference in 1922 specifically reserved China's right to seek a solution of the whole Manchurian question on all appropriate future occasions.

In view of the approaching expiry of the original term of the Kwantung lease the Chinese Government, on March 10, 1923, sent a Note to the Japanese Government demanding that the Treaty of May 25, 1915, be abrogated, but this was ignored.

The situation hasi>een well described by the League Commission sent from Geneva to investigate the position from an independent standpoint, and their impressions are worth quoting:—"These treaties and other agreements gave to Japan an important and unusual position in Manchuria. She governed the leased territory with practically full rights of sovereignty. Through the South Manchuria Railway she administered the railway areas, including several towns and large sections of such populous cities as Mukden and Changchun; and in these areas she controlled the police, taxation, education, and public utilities. She maintained armed forces in many parts of the country: the Kwantung Army in the Leased Territory, Railway Guards in the railway areas, and Consular police throughout the various districts. This summary of the long list of Japan's rights in Manchuria shows clearly the exceptional character of the political, economic, and legal relations created between that country and China in Manchuria. There is probably nowhere in the world an exact parallel to this situation, no example of a country enjoying in the territory of a neighbouring State such extensive economic and administrative privileges. A situation of this kind could probably be maintained without leading to incessant complications and disputes if it were freely desired by or accepted on both sides, and if it were the sign and embodiment of a well-considered policy of close collaboration in the economic and in the political sphere. But in the absence of those conditions it could only lead to friction and conflict."

II

SINO-JAPANESE RAILWAY ISSUES IN MANCHURIA.

In view of the abundance of timber and mineral sources, and the suitability of the soil for agriculture, it might be expected that Manchuria should be far better developed than it is. The reason for this backwardness, however, is lack of adequate communication facilities other than waterways. This in turn is due to certain political factors, which may be summed up in the fixed determination of Japan to have a monopoly of the railways in the Three Eastern Provinces.

When Japan acquired control over the Dairen-Changchun branch of the Chinese Eastern Railway as part of the fruits of her victory over Russia, and established the South Manchuria Railway Company, she inserted the thin end of the wedge for her political and economic penetration into Manchuria. So serious and so insidious has been this penetration that its end is nothing less than usurpation of China's sovereignty in Manchuria. The South Manchuria Railway Company, although nominally a private corporation, is in fact, a Government enterprise, including in its functions not only the management of the railway lines, but also exceptional rights of political administration. From the time of its incorporation the Japanese have never regarded it as a purely economic enterprise. The late Viscount Goto, first President of the Company, laid down a fundamental principle that the South Manchuria Railway should serve Japan's "special mission" in Manchuria. When it has been actually demonstrated by recent events in Manchuria how this so-called "special mission" has been put forward to justify successive interventions, and even the setting-up of a Japanese-controlled puppet government in what is admitted to be part of China's territory, it will be apparent how fruitful the progressive stages of that policy has been in causing friction between the two countries. The intimate relation between railways and politics which exists in Manchuria is not to be found in any other part of the world. The Japanese Government, through the South Manchuria Railway, has been steadily pursuing a policy aimed at monopolizing the control and development of railways in that part of China, in defiance of China's administrative rights and territorial sovereignty. The inevitable result has been systematic obstruction by Japan of all efforts by the Chinese authorities at railway building; so much so that no important railway construction has ever been under-

taken or even projected without diplomatic interference by Japan and an interchange of Notes.

The South Manchuria Railway, as a Japanese Government concern, has consistently shown a disposition to ignore economic factors connected with the development of the country unless at the same time it has seen prospects for the advancement of its political designs. It is natural, therefore, that the Chinese authorities should desire to possess a network of lines under their own independent control. Apart from the valuable work of opening-up the country for the development of its vast natural resources, and promoting the well-being of the Chinese citizens living in that territory, the strategic need for independent control of vital lines of communication had been demonstrated during the Kuo Sung-Lin rebellion of 1925. An understanding of these facts and of the essential conflict between Chinese and Japanese interests will in great measure explain the complexities of railway politics in Manchuria.

THE ALLEGED "SECJRET PROTOCOL" OF 1905: THE "PARALLEL LINES."

In connection with the question of Japan's treaty status in Manchuria, a controversy has been going on between Japan and China during the past two decades arising out of the negotiations during the Sino-Japanese Conference at Peking in 1905 following the Russo-Japanese Treaty of Portsmouth. The Japanese alleged the existence of a "secret protocol" to the Treaty of that year, whereby, they declared, "The Chinese Government engage, for the purpose of protecting the interests of the South Manchuria Railway, not to construct, prior to the recovery by them of the said railway, any main line in the neighbourhood of and parallel to that railway, or any branch line which might be prejudicial to the interests of the above-mentioned railway."

On this alleged ground Japanese has succeeded since that time in effectively using pressure to prevent any foreign capital other than Japanese from participating in the construction of Chinese Government railways in Manchuria. By assuming as a fact the existence of the so-called "secret protocol," whereby she claimed for herself a "treaty right," Japan even went farther than vetoing foreign railway loans, and sought on many occasions to obstruct the normal development of railway enterprise by the Chinese Government in Manchuria in order to establish a virtual monopoly for the South Manchuria Railway Company. This, too, in defiance of the pledges given by the Japanese delegation at the

Washington Conference, embodied in the multilateral treaty of **February** 6, 1922, in which Japan undertook to observe the principle of the "Open Door or Equal Opportunity" by refraining from seeking or supporting its nationals in seeking any arrangement which might purport to establish **in** favour **of** their interests **any general superiority or rights in** any **part** of China.

"So frequent has been the acceptance of this alleged Article, **both** in eastern Asia and in Europe and the United States, so important its bearing upon some of the most vital questions which concern Southern Manchuria as a field for investment of foreign capital in railway enterprises of the Chinese Government, so numerous the occasions **when** the Japanese Government have referred to some such understanding with China in an effort to prevent outside foreign capital from participation in the construction of railways for the Chinese Government, and so vital the possible bearing of such a treaty stipulation upon the question of the 'Open Door' for finance in Manchuria, that it would seem to be but reasonable that an officially-accepted text of these alleged 'secret protocols' could be referred to. Such is not the case, however. No such text in full has ever been published officially by either the Japanese or Chinese Governments in any of their treaty collections, State papers or official communications to foreign States. Such a, document has never been filed either with the League of Nations Secretariat, or, apparently, with the State Department of the United States in conformity with the eleventh resolution of the Washington Conference dealing with Far Eastern affairs."*

The first specific issue over the so-called "parallel lines" arose in 1907-9, when the Japanese Government obstructed the construction by China of the Hsinmintun-Fakumen railway, a contract for which had already been given to a, British firm. The alleged "secret protocol" was then invoked, and although the Chinese Government pointed out that the Japanese Government had pledged in the Treaty of Portsmouth not to obstruct "any general measures common to all countries, which China may take for the development of commerce and industry in Manchuria," it was unable to resist diplomatic pressure and had to give way. It is necessary here to add that, during the discussions of the Peking Conference, the Japanese Plenipotentiaries had made repeated

* *Japan's Special Position in Manchuria,* **pp.94** *et seq.,* by **Dr. C. Walter Young.**

references to the above pledge to assure China that Japan contemplated no monopolistic railway policy in Manchuria; and further, the Chinese Government had agreed to the Russian transfer of her interests in the (now South Manchuria Railway only upon that understanding.

In this connection the League Commission of Enquiry, after an exhaustive search for the source of these much talked of Japanese "treaty rights," declared they were unable to discover the alleged "secret protocols" in any formal Treaty, and that the alleged engagement is to be found only "in the minutes of the eleventh day of the Peking Conference, December 4, 1905." It is significant that the Commissioners thought it necessary to give added emphasis to this finding by an addendum that they had "obtained agreement from the Japanese and the Chinese Assessors that no other document containing such alleged engagement exists beyond this entry in the minutes of the Peking Conference." This question, like all the other Japanese charges against China of breaches of treaty obligations, when brought under the searchlight of impartial investigation, has thus only led to exposure of the weakness of Japan's case.

China's contention that there were no "protocols," secret or otherwise, signed during the Peking Conference has thus been upheld by the League Commission of Enquiry. The sixteen numbered Articles produced by the Japanese are, in fact, nothing more than an arbitrary selection from the Conference records of tentative understandings, which, in the Chinese view, have no validity. The formal Treaty and the Additional Agreement of December 22, 1905, which eventuated from the Conference, contain no reference at all to the so-called parallel railways. By implication, therefore, it would appear that such matter was dropped- and that the minutes relating thereto lost their significance and binding character upon the signing and ratification of the formal treaty.

ACTUAL NATURE OF THE PEKING COMMITMENT.

In view of the fact that inaccurate and misleading texts of the alleged "secret protocols," have been circulated, creating an air of mystery and confusion which has tended to weaken China's case, it is advisable to recount at some length what actually happened at the Conference in the capital when the "secret protocols" were alleged to have been signed.

The object of the Conference was primarily to enable Japan to obtain the approval of the Chinese Government, as sovereign owner of

the reversionary rights, to the transfer made to Japan by Russia of her leases and other treaty rights in Manchuria. The negotiations were opened on November 17, 1905, on which date the Japanese Plenipotentiaries put forward several suggestions regarding the procedure, the third of which was to the effect that the proceedings of the Conference should be kept secret.[1] On December 19, at the close of the Conference, it was mutually agreed, as entered in the record, that: "The Plenipotentiaries of the two Government declare that they will keep the Agreements and minutes of the negotiations between the two Governments confidential."[2] In view of the fact that it was the Japanese Government which made the proposal for secrecy, the statement made in Tokyo, on January 12, 1906, by Mr. T. Kato, then Foreign Minister, to Mr. Huntington Wilson, American Charge d'Affaires, is misleading, creating the impression that it was the Chinese Government which made the request for secrecy.[8]

A complete verbatim account of the daily proceedings of the conference was not kept. The "outlines of the conversations," declarations, and tentative understandings recorded apparently with a view to help arriving at a general agreement to be incorporated into a formal treaty, are all that is actually recorded in the Official Minutes. This was the procedure proposed by the Japanese Plenipotentiaries at the first meeting of the Conference; and they presented the following five proposals all of which were accepted by the Chinese Delegation:—

1. During the Conference all conversations *(fan Hua)* shall be recorded in both the Chinese and Japanese languages.

2. Conversations shall be conducted in both Chinese* and Japanese languages, but only a brief record, in both Chinese and Japanese, shall be kept of the daily sessions, to be signed by the Plenipotentiaries of both countries, this brief record to contain only the outlines of the conversations *(hui yi).*

3. The entire proceedings of the Conference shall be kept secret *(yen mi mi).*

^*Official Minutes of the Conference,* November 17, 1905. All citations of the Official Minutes hereafter are from an authentic copy of the original which is now in the Ching: dynasty archives of the Foreign Office in Peiping, and is written both in Chinese and Japanese. All translations quoted have been checked with the Japanese version, which is the official one of equal authority with the Chinese. No neutral language text of the Official Minutes or the published formal treaty and so-called "additional agreement" was kept.

[2]*Official Minutes,* December 12.

[3]Vide: *US. Foreign Relations,* 1906, Part I, 996,

4. After each session the date and hour of the next session shall be decided by mutual agreement.

5. The Councillors shall be limited to five in number, and their names and titles shall be notified to the other Party.

It may be of interest here to record that, during the Conference, the Vice-Minister of Foreign Affairs, Tang Shao-Yi, on November 21, received a mandate from the Emperor instructing him to participate in the Conference discussions on Manchurian affairs. This was due to the incapacity through "illness" of Prince Ching, one of the Chinese Plenipotentiaries. In the session of November 23, therefore, the Imperial Mandate was read to the Japanese Delegation, who agreed to the participation of Mr. Tang Shao-Yi in the proceedings. From that date, therefore, Mr. Tang was a representative of the Chinese Government accredited with plenary powers to negotiate, though the treaty and "additional agreement" do not bear his signature and seal because at the time of signing Prince Ching was able to do so personally. Of the Plenipotentiaries on both sides-only two are now living—among the Japanese, Count Uchida, formerly Foreign Minister of Japan, and until 1932 President of the South Manchuria Railway; and among the Chinese Mr. Tang Shao-Yi. It was during the period when the latter took the place of Prince Ching that the matter of "parallel railways" came up for discussion at the Conference. He has, therefore, unequalled and intimate knowledge of the actual happenings, and he fully corroborates the Chinese contention stated in these pages.

The Peking Conference considered, in addition to matters relating to China's sanction of the transfers made by the Portsmouth Treaty, such subjects as inter-lineal railway agreements and the reinstatement of Chinese civil authority in the areas evacuated by the Japanese armies after the Russo-Japanese war, and, in particular, the following three subjects: (1) the matter of the Kirin-Changchun railway, (2) the recovery of the Hsinmin-Mukden railway by China, and (3) the withdrawal of the Japanese "railway guards" from the South Manchuria Railway. The matter of "parallel" railways received but little attention, and arose in this manner.

At the sixth meeting of the Conference (November 28) the Japanese Plenipotentiaries presented a series of seven new proposals, regarding which they averred that they had given previous notice. The second item was as follows:—

"The Chinese and Japanese Governments, in view of the importance of safeguarding railway interests in South Manchuria, agree that all projects for future railway construction in South Manchuria must be submitted to the mutual consideration of China and Japan."

There being no opportunity for debating this proposition until a number of other propositions put forward by the Chinese Plenipotentiaries had been considered, this proposal was not on the agenda for discussion until the eleventh meeting (December 4). On this occasion the Chinese Plenipotentiaries suggested that the following wording be substituted:—

"The Japanese Government agrees that during the period when the Chinese Eastern (South Manchuria) Railway Agreement is in force, in case railways are to be constructed in South Manchuria, that is, east of the Liao River, the Chinese Government must be consulted beforehand and its permission obtained in order to protect railway interests."

After discussion, the details of which are not mentioned in the Official Record, it was agreed that the suggestion of the Chinese Plenipotentiaries should not be included in any Agreement, but that the following declaration should be recorded in the Official Minutes:—

"The Chinese Government, in order to protect the interests of the Chinese Eastern Railway (meaning here, South Manchuria Railway) agrees, before the recovery of the said line by China, not to construct in the vicinity of the said railway any parallel main line, and/or *{chi)* any branch line detrimental to the interests of said railway."

No further discussion of this subject is recorded in the Official Minutes. It is thus evident that the proposal of the Japanese Delegation that their Government should have the right to be consulted upon the proposed construction of any new railway in South Manchuria was definitely rejected, and that, in its place, a "declaration" was recorded in the Official Minutes to the effect that China would not construct any "parallel main line" in the vicinity of the South Manchuria Railway.

There is nowhere to be found in the Official Minutes of the Conference any reference to "secret protocols" of any character, nor any further mention of the above "declaration." The Minutes contain other "declarations" which were subsequently incorporated in the formal "additional agreement," a fact strongly supporting the Chinese contention that this particular "declaration," like others, was merely in the nature of a provisional understanding in anticipation of eventual inclusion in a formal Agreement. There is no evidence that this, pro-

visional character of the "declaration" was subsequently changed into a definite obligation.

MISLEADING THE AMERICAN AND BRITISH GOVERNMENTS.

In view of the fact that there is nowhere to be found in the Official Minutes of the Conference any text of the so-called "secret protocols," which appears to have been given out by the Japanese Foreign Office to the American and British representatives at Tokyo, it is singular that Japan should now produce in regard to the question of "parallel" railways, what is represented to be a formal document in the form of sixteen numbered Articles, the third of which is identical with the entry in the Official Minutes concerning this point.[1] It reads as follows:—

"The Chinese Government engage, for the purpose of protecting the interest of the South Manchuria Railway, not to construct, prior to the recovery by them of the said railway, any main line in the neighbourhood of and parallel to that railway, or any branch line which might be prejudicial to the interest of the above-mentioned railway."

This has been represented as one of the "secret protocols" and as in the nature of an "executory agreement."[2] If this were an "executory agreement" as described, it should have been included in the "Additional Agreement" attached to the Treaty of December 22, 1905, and published as such. Both these Agreements were formally signed and duly ratified. No formal Agreement referring to "parallel" railways has ever been signed—except insofar as all the minutes of the Conference were signed —and none on the subject of "parallel" railways was ever formally ratified by either Government.

Again, it is a singular fact, which the Japanese Government cannot explain, that other "declarations," of the same legal standing as that concerning the "parallel" lines, are also to be found in the Official Minutes, but these are omitted in the Japanese version of the alleged "secret protocols." There is, for instance, the final "declaration" of the Chinese Plenipotentiaries on the subject of the Japanese railway guards maintained along the South Manchuria Railway:—

"Although it is mentioned in the Articles of the Additional Agreement that Japan maintains railway guards from Changchun to the boundary of the Leased Territory of Port Arthur and Talienwan, China con-

[1] Vide: MacMurray, I, 554; *Second Report of Progress in Manchuria to 1930,* 251.

[2] **MacMurray, I, 554.**

siders this to be an unsettled (incomplete) matter, and it is necessary that this reservation (idea) be declared in the Minutes of the Conference." (19th Session, December 17).

The only significance of this "declaration" lies in the fact that it and the entire discussion on the subject of railway guards, recorded in detail in the Official Minutes, may legitimately be resorted to for purposes of arriving at an accurate interpretation of the provisions of the Additional Agreement, on the subject of Japanese railway guards. Beyond this, it possesses no intrinsic value whatsoever.

The facts above-stated clearly show that the Japanese Government, by releasing what purports to be the text of "secret protocols," alleged to have been signed by the Japanese and Chinese Plenipotentiaries at the Conference, has falsely created the impression that there exists a formal Agreement of Sixteen Articles in the nature of an "executory agreement," and that this formal Agreement has the same binding force as the formal Treaty and Additional Agreement of 1905 which were signed, ratified, and subsequently published.

Moreover, although it is known that the Japanese Government in 1906 handed a copy of its official version of the alleged "secret protocols" to the diplomatic representative of the United States in Tokyo, the official publications of the Ministry of Foreign Affairs *(Gaimusho),* wherein the formal Treaty and Additional Agreement appear in both Japanese and Chinese, do not contain the text or, for that matter, any mention of the alleged "secret protocols." As a matter of fact, no formal Agreement regarding "parallel railways" eventuated from the Peking Conference. That subject was recorded merely in the signed minutes of the Conference, which do not have the force of a formal Treaty, or Agreement, being unratified by either Government. They are nothing more nor less than purely tentative and informal understandings, the legal force of which entirely disappeared when they were abandoned by non-inclusion in the formal Agreement subsequently incorporating the results of the Conference discussions. This view is upheld by the authority of recognized publicists and international jurists; for example:—

> "A *proces-verbal* is the official record of minutes of the daily proceedings of a conference and of the provisional conclusions arrived at, and is usually signed by the representatives of the parties. The term protocol is used to denote the same thing as a *proces-verbal* (which is undesirable), or more correctly, an international agreement itself,

though usually one of a supplementary nature or of a less formal and important character than a treaty."—*L. Oppenheim.*

A protocol is "an exact record of the steps leading up to final agreement," or is used to refer to "the results of each meeting" of a conference. "They (protocols) embrace a statement of all the views expressed verbally, or in writing, at each conference. . . . Protocols may serve to manifest the accord of the negotiators on certain clauses of a convention in process of negotiation. Such partial or temporary bases of agreement are not to be taken as manifesting any duty on the part of the Plenipotentiaries to aquiesce in the terms of a convention which gives expression to them." "Protocols of meetings are chiefly important as a means of keeping distinct the several questions confronting the negotiators, and thus affording opportunity to perceive the precise grounds of any divergence of opinion. In case of subsequent disagreement between the parties concerning the interpretation of a treaty, the protocols of the Plenipotentiaries preliminary to its conclusion may shed light respecting the intention of the individuals as well as *of* their Governments at the time of the negotiations."—*Charles Cheney Hyde.*

It is, of course, necessary to distinguish the signed minutes of a conference from a protocol which is supplementary to a multilateral Treaty or Agreement, and may provide a means for obtaining the adhesion of additional States to the general covenant, etc. It would be better to follow Oppenheim and refrain from applying the term protocol to the signed minutes of a conference, using instead the proper and more descriptive term *proces-verbal.*

Oppenheim and Hyde agree, however, that the signed minutes of a conference do not have the binding force of a formal Treaty or Agreement. In the absence of any formal Agreement, properly signed and ratified, the signed minutes of the preliminary conference lose their force as international instruments. In such a case it is incorrect to refer to them as having the status of "executory agreement"—which is the phrase used in Dr. MacMurray's treaty collection, presumably adopting the language which was attached to them in the official "transmission of the Japanese version to the United States Government.

One may conclude, then, that, while the signed minutes of the Peking Conference may have a certain amount of importance, insofar as they may throw light on a disputed interpretation of the actual contents of the formal Agreement resulting from the Conference, such *proces-verbal*

is decidedly not of the character of a Treaty or Agreement, or binding upon either of the signatories as such.

There is no Article or clause in the formal Treaty and "Additional Agreement," signed on December 22, 1905, which relates to the subject of Japan's claim of the right to veto construction by China of railways "in the vicinity of and parallel to" the South Manchuria Railway. The provisional accord on "parallel" railways contained in the minutes of the Conference cannot be interpreted as other than a temporary understanding to be modified subsequently by a formal agreement.

The failure of the Chinese Government to make these facts known in official communications to third parties, and the absence of an express denial of the existence of the commitment improperly termed "protocols," are evidently not due to any possible misgivings over the question of their binding force. At any rate, even if there remained any doubt whether the minutes do or do not constitute a binding commitment upon China, it is a purely juridical question, which can under no circumstances justify Japan's resort to force in the light of Article 12 of the League Covenant[1] and the Treaty of Paris, 1928.[2]

JAPAN REFUSES DEFINITION OF TERM "PARALLEL RAILWAYS."

After the diplomatic tussle over the Hsinmintun-Fakumen railway the Chinese Government, being earnestly desirous of removing the cause of similar future disputes, sought strenuously to obtain from the Japanese Government a definition of its interpretation of the term "parallel railways," but the latter studiously evaded the issue, declaring the impossibility of doing so in term of specific mileage from the South Manchuria Railway. The Chinese Government then made an alternative proposal, that the question of the legal validity and interpretation of the relevant minutes of the Peking Conference be referred to the Court of

[1]Article 12 of the League Covenant provides:—

"The Members of the League agree that if there should arise between them any dispute likely to lead to rupture they will submit the matter either to judicial settlement or to enquiry by the Council, and they agree in no case to resort to war until three months after the award by the arbitrators or the judicial decision or the Report by the Council."

2The Treaty of Paris, 1928, provides:—

I. The High Contracting Parties solemnly declare in the names of their respective peoples that they condemn recourse to war as a solution of international controversies, and renounce it as an instrument of national policy in their relations with one another.

II. The High Contracting Parties agree that the settlement or solution of all disputes of whatever nature or of whatever origin they may be, which may arise among them, shall never be sought by them except by pacific means.

Arbitration at the Hague for solution. This, too, the Japanese Government resolutely refused to do—an attitude inexplicable unless Japan was herself fully aware that the claim could not stand examination.

When the Chinese Government from 1924 began to take up the matter of railway enterprise with renewed vigour, Japanese references to the "secret protocols" were again revived in opposition. Thus that Government protested against the construction of the Chinese-constructed and Chinese-financed Tahushan-Tungliao and Kirin-Hailung railways, but China was unable to accept the validity of the Japanese contention, and went on with the projects to completion. The unreasonableness of the Japanese attitude is only too obvious when it is recalled that, not only had Japan blocked China's offer of settlement by arbitration, and refused to give her any definition of the term in dispute, "parallel railways," but also raised this issde in the case of the Tahushan-Tungliao railway. Tahushan is over 75 miles from Mukden, and Tungliao, the other terminus of the line is approximately 125 miles from the South Manchuria Railway. And no less an authority than Professor Kisaburo Yokoda, of the Tokyo Imperial University, declared in a lecture on October 15, 1931, nearly a month after the Mukden Incident, that "the Tahushan-Tungliao line is quite a hundred miles from the South Manchuria Railway. If they could be called parallel, then the Tokaido and Central lines in Japan would be parallel too." So also, one may add, would be the London-York and London-Leeds, and the Peiping-Hankow and Tientsin-Pukow lines, which is absurd.

OBJECTIONS TO CHINESE RAILROAD BUILDING.

The utter incompatibility between the Chinese and Japanese views on the railway question renders this a more than usually thorny problem affecting Sino-Japanese relations. According to the Japanese claim, China is precluded from building or allowing to be built any railway which, in the opinion of the South Manchuria Railway Company, is in competition with its system. Yet, if the pledges of the Japanese Plenipotentiaries at the Peking Conference* mean anything at all, Japan's objection

*During the exchange of Notes in 1907, concerning the Hsinmintun-Fakumen Railway project, Prince Ching representing the Chinese Government, stated to Baron Hayashi, the Japanese Minister in a communication dated April 7, 1907, that the Japanese Plenipotentiaries in the Peking Conference, while refusing to agree to a definition of the term "parallel line" in terms of specific mileage from the South Manchuria Railway, declared that Japan, "would do nothing to prevent China from any steps she might take in the future for the development of Manchuria."

to Chinese railway construction can only be made on the basis of reasonable interpretation of the meaning of the term "parallel line." Another point that vitiates the Japanese contention is that the "declaration" anent "parallel lines" was made on the assumption that China would have the right to recover the South Manchuria Railway under the terms of the original Sino-Russian Agreement pertaining to the Chinese Eastern Railway. The Sino-Japanese Treaty and Exchange of Notes of May 25, 1915, have created a very material change of circumstances which could not possibly have been considered by the delegates at the Peking Conference. If full effect were given to the Japanese interpretation, and the 1915 Agreements held as of unquestioned binding force, it would mean supporting the wholly preposterous proposition that China could be precluded, entirely at the discretion of the South Manchuria Railway Company, from building necessary railways in her own Manchurian territory till 2002 A.D.!

Nothing can be more clear and logical than the Chinese standpoint, which is prepared for the sake of peace even to concede that China should not build lines with the deliberate object of unduly impairing the commercial usefulness and value of the South Manchuria Railway. Japan's resentment against the construction of the Tahushan-Tungliao and Kirin-Mukden lines was not really due to any violation of the alleged "secret protocols." Her real grievance against Chinese-built railways was two-fold. Firstly, orders for construction materials were given to Western countries instead of to Japan; and secondly the rates on Chinese-controlled lines were charged in depreciated silver currency, much lower than the rates of the South Manchuria Railway, which were on a gold-yen basis. With the building of the Hulutao port under way, and a projected system of railway lines that would serve practically all parts of Manchuria unified under Chinese control, the economic supremacy as well as the "special political mission" of the South Manchuria Railway was seriously threatened. Hence, unable to engage in fair competition against the Chinese railways, which, at the time of the invasion of Manchuria in 1931, already comprised a greater total mileage*

*Of the 3,700 miles of railways in the Three Eastern Provinces, 1,800 are entirely Chinese, 1,236 are under joint Sino-foreign management, and only 700 are Japanese, of which 470 miles (the section between Dairen and Changchun) were built by Russia and transferred to Japan after the Russo-Japanese War. Japan, therefore, actually controlled only 19 per cent of the entire railway system in Manchuria.

than the Japanese system, Japan has sought to wipe out Chinese competition first, by accusing China of treaty violation in order to exercise diplomatic pressure, and then by actual seizure of the Chinese railways and the occupation of Manchuria.

Realization of the Japanese dream of monopolizing the Manchurian railways has been finally brought about on March i, 1933, when the puppet "Hsinking Government"—echoing its creator's voice—announced its "decision to entrust the management of all the lines within its territory to the South Manchuria Railway."[1] Japan's satisfaction over the economic and political conquest of Manchuria is reflected in the statement that "Japanese interests were now securely protected, and the *mission* of the South Manchuria Railway from the economic and cultural angle has become more important than ever. The *activities of the South Manchuria Railway are now freer and the management has not merely regained its position as a vital organ for the extension of Japan's influence,* but is showing excellent results, accepted as unrivalled anywhere in the world."[2] It is unnecessary to add that the "mission" and "extension of Japan's influence" bode ill not only for the health of the puppet "Government," but also for the principle of equality of opportunity for foreign (non-Japanese) trade.

As long as China, in the construction of her railways, purchased Japanese materials, employed Japanese technicians, and borrowed Japanese money (as in the case of the Changchun-Tunhua and Ssupingkai-Angangchi railways), and as long as Chinese railway fares and freights did not undercut those of the Japanese, Japan was quite content to do without the "secret protocols." But the construction of an independent Chinese Government railway system instantly provoked the Japanese challenge of China's right to do so on the ground that the so-called "protocols" forebade such action.

VIOLATION OF TREATY OBLIGATION AND OTHER ILLEGALITIES.

Far from violating treaties herself, China is in a position to prove that it is Japan which has done all the violating. First of all, there is the illegal stationing of Japanese troops and railway guards in South Manchuria. The original Sino-Russian Railway Agreement of 1896 made no provision for the establishment of a system of guards such as was

iJapan-"Manchukuo" Year Book, 1934, p.644.
2Ibid. p.648.

maintained by Japan, and reserved to China exclusively the right of protecting the railway from external attack. The introduction of Russian troops as guards for the railway constituted a violation of the Sino-Russian Agreement; and in spite of strenuous efforts made by Russia to get China's formal sanction for such action, the Chinese authorities consistently resisted the Russian demand. When the Treaty of Portsmouth brought the Russo-Japanese war to a close, Russia and Japan agreed to limit their railway guards to 15 men per kilometre, but this agreement was not binding on China until she ratified it by the Additional Agreement of December 22, 1905, stipulating that Japan should withdraw her railway guards if Russia withdrew hers. The Article in question runs as follows:—

> "In view of the earnest desire expressed by the Imperial Chinese Government to have the Japanese and Russian troops and railway guards in Manchuria withdrawn as soon as possible, and in order to meet this desire, the Imperial Japanese Government, in the event of Russia agreeing to the withdrawal of her railway guards, or in case other proper measures are agreed to between China and Russia, consents to take similar steps accordingly."

By the Sino-Russian Agreement of 1924 Soviet Russia restored to China responsibility of guarding the Chinese Eastern Railway, thus accomplishing the withdrawal of her guards. Japan, however, ignoring the terms of the Additional Agreement of 1905, continued to maintain her guards along the South Manchuria Railway. Their number before the Mukden incident in 1931 was between 12,000 and 15,000 men; in addition there were 5,400 military police, 2,500 patrolmen, 52 aeroplanes, and 1,500 railway police, stationed more or less permanently, and fully equipped for belligerent purposes.

The establishment of two Japanese police organizations in South Manchuria, in addition to regular troops and guards, constitutes another of Japan's many violations of China's sovereignty. Attached to the Japanese Consulates are the Consular police, and to the railway towns the municipal police. These forces on March 31, 1930, numbered about 3,000 officers and men. The existence of these police-stations is absolutely unjustified, and has been the source of numerous Sino-Japanese conflicts. Unable to defend its action by quoting any treaty basis, Japan has pleaded "expediency." The illegality of these Japanese police establishments in Manchuria has been frankly acknowledged by Professor M. Royarna,

of the Imperial University at Tokyo, who, in November, 1930, wrote, "It must be admitted that the argument of the Chinese Government would be right if only interpretation of international law mattered in this connection."

In spite of China's repeated protests against Japan's illegal levying of taxes along the South Manchuria Railway, the Japanese authorities in the railway areas continued to collect taxes from both Chinese and foreign residents, in defiance of China's sovereign right of taxation, especially in regard to the collection of the stamp-tax, business-tax and match monopoly tax. The total resident population in the railway areas was estimated on December 31, 1929, at 342,043, of whom 230,507 were Chinese, 109,599 Japanese and Korean, and 1,937 other foreigners. Japan made a weak attempt to justify her illegal action on the ground that foreigners and Chinese residents in the railway areas were morally obliged to contribute taxes to the Japanese administration in return for services rendered to them, such as police protection, road-building, and the like. Granting that it is only equitable that residents should pay for general benefits accruing from an orderly administration one may yet question why this area should be administered by the Japanese authorities at all. Suppose China were to send troops to Tokyo, occupy the city, establish police-stations there, maintain the highways and public utilities, and then start to levy taxes on residents. Would Japan hold that the principle of equity imposed on Tokyo citizens the moral obligation to pay taxes to the Chinese administration for services rendered?

This question leads directly to the much disputed issue of the geographic limits of the "railway zone." The total length of the South Manchuria Railway—comprising the Dairen-Changchun and the Mukden-Antung main line and the branch to Port Arthur, Yingkow, Yentai and Fushan—is about 670 miles. The right of way varies from 50 to 300 feet in width, but what the Japanese term the "railway zone" is, in fact, a much larger area. Whereas the total area originally acquired from Russia by Japan in 1905 was about 65 square miles, by gradual encroachment it was expanded to 108 square miles. Extensive tracts of land in about a dozen cities—such as Fushan with its collieries, and Anshan with its ironworks—along the railway have been taken over by the Japanese by illegal methods, in contravention of the original Sino-Russian Railway Agreement of 1896, which provides that only such lands as were actually necessary for the construction, operation and pro-

tcction of the line, as also the lands in the vicinity thereof necessary for procuring sand, stone, lime, etc., could be acquired by the railway authorities. The large additional areas first acquired by Russia, and subsequently by Japan, are unquestionably not necessary either for the construction or protection of the railway. It is argued by Japan that whatever the basic legal validity for the acquisition of such areas, China's long acquiescence in the *de facto* situation since 1905 is *per se* enough to preclude further investigation of the legal title. Thus Japan seeks to justify the perpetuation of illegality.

Among China's other grievances against Japan are the following: (1) illegal conduct of military manoeuvres in China's important cities, such as Tientsin, Mukden, and the surrounding countryside, causing danger to Chinese lives and damage to crops and other property: (2) unjustifiable establishment of Japanese post offices, commercial telegraph, and telephone lines along the South Manchuria Railway: (3) illegal excavation in Mukden, Tungliao, and Wanpaoshan of irrigation canals by Japanese and Koreans, prejudicing the interests of Chinese farmers: (4) unwarranted destruction of Government offices and property, such as the attack made by Japanese subjects at Antung on the Customs substation, the demolition of the police-station at Yingkow by Japanese police and Korean traffickers in morphine in December, 1930, and the cutting of the Peking-Mukden Railway in June, 1929; and (5) undue interference by Japanese with Chinese military transportation, as in the winter of 1925, when Chinese troop movements were prohibited within 20 // of the South Manchuria Railway. The above examples are sufficient to illustrate that, while on the one hand Japan would have China respect treaties even though her signature were extorted at the point of the bayonet, she herself has deliberately and aggressively encroached on Chinese rights, and has violated such treaties as the League Covenant, the Nine-Power Treaty, and the Kellogg-Briand Pact.

JAPAN'S PROTEST AGAINST THE HSINMINTUN-FAKUMEN RAILWAY.

The first and most characteristic instance of Japan's interference with railway construction by China was afforded by the case of the Hsinmintun-Fakumen Railway. On November 8, 1907, an agreement was signed between the Chinese Government and Messrs. Pauling & Co., a British firm, which provided for the construction of a railway about 50 miles in length from Hsinmintun, the northern terminus

of the Peking-Tientsin-Shanhaikwan line in Manchuria, to Fakumen, an important trade mart between Tiehling and Kaiyuan (on the South Manchuria Railway) and the Inner Mongolian territories now included in the provinces of Jehol and Chahar. This short railway was projected as a continuation of the Shanhaikwan line, the intention of the Chinese Government being to extend it all the way to Heilungkiang Province beyond Taonan. The funds for construction were to be provided by a loan to the Chinese Government from the British and Chinese Corporation. This firm had long held a preliminary contract for the construction of such a line, in fact, since 1898.

"For strategic reasons, if for no other, such a through system to northern Manchuria was necessary for China to provide for defence of its own outlying territories in Manchuria."[1] Subsequent events —especially the construction of a railway system in this general locality with Japanese capital—have supported the view that a railway was needed here for the economic development of this area.

From 1907 to 1909 the Japanese Government made a series of representations and protests to the Ministry of Communications and the Ministry of Foreign AfTairs (Wai-wu-pu), on the ground that this projected line was "parallel" to the South Manchuria Railway, and therefore contrary to an understanding between China and Japan contained in the Minutes of the Conference of 1905. In this connection the Ministry of Communications, in the autumn of 1907, expressed its views to the Ministry of Foreign Affairs that "in case any new line is *to* be built outside Shanhaikwan in the future, the distance from the main line of the South Manchuria Railway will be no less than that which is (sanctioned by) the customary practice with regard to any two existing railways in Europe and the United States."[2] This view was conveyed fo the Japanese Minister at Peking by the Ministry of Foreign Affairs, but the former remained adamant in his attitude.

The Ministry of Communications then reported that "inasmuch as the Agreement regarding the recovery of the Hsinmin-Fengtien Railway stipulates that, in case China desires to construct by herself any line, with the exception of a branch line to the Kirin-Changchun Railway, it shall not concern the South Manchuria Railway, the present

[1] Young, *Japan's Special Position in Manchuria,* **108.**
[2] Hsu Shih-Chang, *Tuny San Sheng Cheng Luch,* Book XI, p.46

project for the extension of the railway on the other side of Shanhaikwan (Peking-Mukden Railway) is China's own affair, and there is absolutely no justification for foreign interference. The reasonableness of this case should be strongly emphasized in order that a clear limitation of the rights involved can be made."*

In April, 1908, in reply to further Japanese protests, the Ministry of Foreign Affairs pointed out *inter alia* to the Japanese Minister that "since the construction of the new line outside Shanhaikwan from Hsinmin, extending to Fakumen, is contemplated for the purpose of improving transportation facilities, developing the districts adjoining it, and increasing the income of the (existing Peking-Mukden) railway, this is a matter which does not concern the South Manchuria Railway"; asserting further that "this line is neither a parallel main line in the vicinity of the South Manchuria Railway, nor a branch line detrimental to its interests, and, inasmuch as the distance between the two lines is not less than that found in common practice in Europe and the United States," there could be no objection to its construction. To this, the Japanese rejoinder was simply a repetition of the assertion that the projected line contravened the commitment of 1905, whereupon the Chinese Foreign Office made the following statement:

> "Your Excellency still refers to the minutes of the Sino-Japancse Conference, stating that the Chinese Government's action in ignoring the avowed Agreement is prejudical to the interests of the South Manchuria Railway. It is appropriate to recall that, at the time of negotiating this Agreement between the Chinese and Japanese Plenipotentiaries, the Chinese Plenipotentiaries maintained that the word 'parallel' was too comprehensive, and that the number of miles within which no parallel line might be built should be definitely stated. The Japanese Plenipotentiaries, however, held the view that in the eyes of other nations a stipulation of mileage might appear to be a restriction of Chinese railway enterprise. The Chinese Plenipotentiaries then repeated the request that the number of miles between the parallel lines be agred upon in accordance with European and American practice. The Japanese Plenipotentiaries again repeated that it was unnecessary to stipulate an exact distance since the practice was not uniform in this matter. They then added a declaration that Japan would do nothing to prevent China from any steps she might take in the future for the development of Manchuria. This declaration

*Hsu Shih-Chang, *op. **cit.,*** XI, 46

was made in all sincerity and with consideration for the interests of a friendly nation. This should be mutually observed."[1]

The effect of the Japanese opposition, concluded the Chinese Note, was that the Japanese Government had been led "to take a position which places obstacles in the way of China developing her own territory."

The Japanese Government, however, refused to alter its attitude, finally making a counter-proposal that "if China will abandon the project for the Hsinmintun-Fakumen line and consider *instead construction of a branch line from Fakumen to some point on the South Manchuria Railway,* thus creating a situation similar to the Kirin-Changchun Railway, which is not in conflict with the South Manchuria Railway, such a project can be recognized."[2]

The Chinese Government, when confronted with this proposal, inasmuch as its acceptance would defeat the very purpose intended of building a feeder line to the Peking-Mukden Railway and mean merely expanding the Japanese railway system, proposed that the matter be referred to the Hague Court of Arbitration for adjustment, but this suggestion Japan immediately refused.

The Japanese Government, therefore, by declining to admit that the term "parallel railway" was susceptible of definition in terms of a specific distance in miles from the South Manchuria Railway, reserved to herself the right to interpret this contested clause just as she saw fit. She refused a definition of the phrase even in any other manner, whether with reference to the economic value of the line, to the area traversed, or to the quantity of freight requisite for the profitable working of the railway. As a result of Japan's obstruction and pressure, the Hsinmintun-Fakumen Railway was never built.

OTHER EXAMPLES OF JAPANESE OBSTRUCTION.

Two years after the Japanese protest over the Hsinmintun-Fakumen line had resulted in the abandonment of the scheme by China, Japan lodged another equally unjustifiable objection when a preliminary Agreement was signed on October 2, 1909, between the Viceroy of the Three Eastern Provinces, the British firm of Pauling and Company (as engineers) and an American banking group (as financiers) for constructing a line from Chinchow, on the Peking-Liaoning Railway, to Aigun, in the province of Heilungkiang. Though Japan admitted that this

[1] Hsu Shih-Chang, *op. cit.* XI, 46.
[2] Young, *op. cit.,* 122.

Droposed Chinchow-Aigun Railway "is at a great distance from the South Manchuria Railway," nevertheless, her Minister at Peking, Mr. Ijuin, sent to the Chinese Government a curt warning in these terms:—

> "Before the Chinese Government determines anything, the consent of my Government must first be obtained. If the position of my country is ignored . . . it will be hard to estimate the seriousness of the trouble that may be caused in the relations of the two countries."

As a result of this thinly-veiled threat, this project was also abandoned. Thereafter followed a period of comparative inactivity in making plans for railway-building, till the Chinese Government began to take renewed interest in the subject in 1924, realizing the vital need of constructing railways for the purpose of developing the economic resources of Manchuria.

In 1924 the decision of the Chinese authorities to construct the Mukden-Hailung Railway again led to an exchange of Notes, as Japan contended that this line would be prejudicial to the interests of the South Manchuria Railway. Although well aware of the weakness of her objection Japan used it as a lever to extend her hold upon the railway system in Manchuria by stipulating, as a condition of consent to the building of the Mukden-Hailung line, that she should be allowed to furnish the money and be given the construction contract for the Taonan-Angangchi Railway. To this the Chinese authorities agreed. When the first-named line was completed it was found necessary, in order to secure an easily accessible fuel supply, to build a branch line scarcely 40 miles long from the station of Meiho to Hsi-an, where there is an abundance of coal. This little line Japan held to be a "parallel railway," notwithstanding that Meiho and Hsi-an are respectively about 350 and 250 /i from the South Manchuria Railway, and the matter remains one of the many still unsettled issues today.

The Fengtien Provincial Government having completed the Mukden-Hailung line, the Kirin Provincial Government in 1926 began to construct a railway from Kirin to join the former line at Hailung, it being obviously most important to establish communication between Mukden and Kirin. Furthermore, this railway promised to be an important factor in the economic development of the territory. Although the line is between 300 and 400 *It* from the South Manchuria Railway, the Japanese Consuls at both provincial capitals protested on the ground that the proposed line prejudiced the interest of the S. M. R., but it being

merely an extension of the Mukden-Hailung line, to the building of which Japan had withdrawn her objection, these Consular protests could not be sustained, and China opened the line to traffic in May, 1929. However, the terminus at Kirin should logically connect with the Chinese, but Japanese-mortgaged Kirin-Changchun Railway, and to this Japan never consented, thus giving rise to yet another unsettled issue till this day.

DISPUTES CONCERNING RAILWAY LOANS.

It must not be thought that this systematic Japanese obstruction to China's building of railways originated solely from a desire to prevent competition. There was, in fact, a deeper motive. In order that the South Manchuria Railway could fulfil the "special mission" contemplated by Viscount Goto, every step in Japan's policy in regard to railways in Manchuria aimed rather at monopolizing this vital means of communication. A favourite method of obtaining control of lines outside the so-called "railway zone" was by means of loans. The fact is that the South Manchuria Railway practically had no branches, nor any legal means of obtaining them, but wished to develop a system of feeder-lines in order to develop its freight and passenger traffic. Hence its eagerness to grant loans for the building of new lines connecting with its own railway, even though prospects of repayment were remote. Indeed, difficulties in regard to redemption of loans was precisely what Japan desired, as will be seen from what follows regarding her manipulation of loans. The result has been that the Chinese lines were made to shoulder ever-increasing debt obligations—a state of affairs perfectly satisfactory to Japan, so long as they acted merely as feeders for her own system. But when these lines were connected with the new and competitive Chinese National Railways, then non-payment of loans became a subject of complaint. Considerable space has been devoted to the first group of railway issues, namely, the alleged "secret protocols" and Japan's obstruction to the building of Chinese railways. A second group of railway issues, which were the source of serious friction, were those which arose from the various Agreements whereby Japan sought to control Chinese railways by means of loans. Japanese capital was expended in the building of the following Chinese lines: Kirin-Changchun, Kirin-Tunhua, Ssupingkai-Taonan and the Taonan-Angangchi Railways.

MAKING AN ASSET OF INEFFICIENCY.

The Kirin-Changchun line joins the capital of Kirin Province to the South Manchuria Railway station of Changchun, thus making it a feeder for the Japanese-controlled railway. The Chinese Government originally planned to raise funds for its construction by floating a domestic loan, but in 1905 Japan demanded that she be given the right to contribute a half-share, which subsequently resulted in a loan contract for Yen 2,150,000, signed in 1909. The line was opened to traffic in 1912. In 1917, basing her claims on the 1915 Agreements which grew out of the Twenty-One Demands, Japan compelled the Chinese Government to revise the former loan contract, and increase the amount of its indebtedness to Yen 6,500,000.

According to the terms of the revised contract—which are entirely unilateral, and so onerous for China that they are unprecedented in the history of loan contracts between China and other foreign nations—the period of the loan is fixed for 30 years, within which term the South Manchuria Railway Company is to assume management of the railway, important officials are to be Japanese, and delay in payment of capital and interest for three months entitles the Japanese Company to the right of controlling the railway. An unparalleled feature of this unique contract is that, in complete contradiction of the laws of logic and equity, it enabled the Japanese Company was enabled to make an asset of its own inefficiency. As might be expected, the Company had a strong incentive to mismanage the railway, so that it was operated at a loss and fell into arrears with its loan payments, thereby giving an excuse for the Company to take over entire control. Since the line was taken over in 1917 Japan saw to it that the debt should pile up to such an extent that it is impossible today to redeem it. In case this should be regarded as too sweeping a statement, the fact can be proved by the following.

EXTRAVAGANCE IN MANAGEMENT.

In 1930 the gross income of the railway was $3,058,651, and its expenditure $3,627,007, representing a loss of $568,356, due almost entirely to the extravagant methods of Japanese management. Thus, in the matter of salaries, the Japanese staff of 45 received in salaries a monthly total of $34,000, or an average of about $630 per person. On the other hand, the Chinese staff of ten times that number received only $32,000, or an average of about $60 each person! A Japanese director's monthly

salary was $2,000, as against $750 for the Chinese managing-director, the highest paid Chinese official Charges for travelling and other general expenses of the Japanese directors were at their uncontrolled discretion. That the operation of the line at a loss was deliberately intended is clear from the fact that after the Japanese occupation, an annual loss of over half a million dollars in respect of a railway line only 127 kilometres in length became converted almost overnight into a profit! The Japanese give the latest figures available in 1934 as 902,900 yuan profit from the joint working of the Kirin-Changchun and the Kirin-Tunhua lines.*

Again, according to the loan contract 20 per cent of the "free surplus," that is, the net income, should be paid to the South Manchuria Railway Company, while *So* per cent, should go to the Chinese Government. The said 20 per cent actually amounted for the period from 1917-27 to $348,150, but the Japanese representative paid out more than double that sum,—to be exact, $893,500,—while the 80 per cent, which should have been paid over to the Chinese Government was retained upon the ground that it was needed for effecting improvements to the railway! There were a number of other irregularities in the management of affairs by Japanese officials for which no redress could be obtained. Thus the original financial stranglehold of Japan upon this railway was tightened so unscrupulously and successfully that its initial indebtedness of Yen 6,500,000, whereof Yen 890,000 had been refunded, has been augmented till it now reaches the figure of Yen 11,000,000!

OVER-CHARGING AND FAULTY CONSTRUCTION.

In October 1925, the Chinese Government concluded a contract with the South Manchuria Railway Company, whereby *inter alia* the latter secured the financing and construction work for a railway connecting Kirin with Tunhua, at an estimated cost of Yen 18,000,000. Certain changes in location, however, found to be necessary after construction was begun in 1926 led to the cost being increased by another Yen 6,000,000. Upon completion of the work in 1928 the Chinese Administration, in accordance with the technical Articles signed between the two parties, examined the work prior to taking over the line, and discovered not only an inordinate use of inferior material, but also no less than 181 engineering defects. Moreover, there was considerable

*Japan-"Manchukuo" Year Book, 1934, p.644.

over-charging discovered by a committee of technical experts, whose estimates revealed that the figures submitted by the Japanese were actually Yen 5,500,000 more than the cost of the railway. Japan's opposition to all suggestions for settlement proposed by China brought about an impasse which was a further source of friction between the two nations.

ONE-SIDED BARGAINS.

In 1913, in the early days of the Chinese Republic, Japan demanded the right to finance the construction of five railways in Manchuria and Mongolia, one of which was the Ssupingkai-Taonan line—a feeder for the South Manchuria Railway. In 1915 the Chinese Government concluded with the Yokohama Specie Bank a loan contract for the building of the Ssupingkai-Chengchiatun Railway; and in 1919—after its completion—it also complied with the Japanese Government's request for a revision of the contract with the South Manchuria Railway Company, in other to carry the line on to Taonan.

The principal terms of this contract are as follows: The South Manchuria Railway Company shall issue Gold Bonds to the value of Yen 45,000,000, carrying interest at 5 per cent per annum; before the issue of these bonds the Company shall make an advance carrying interest at 7½ per cent; the commission and discount for issue of the bonds shall be *2½* per cent and *5½* per cent respectively; the chief accountant, traffic manager, and chief engineer shall be Japanese; any purchase of material shall be left to the choice of the Company, which is entitled to 5½ per cent commission on all purchases; the Company shall have priority of right to furnish loans, whenever the same shall be necessary for the building of branch lines or extensions; if the issue of the bonds be impossible on account of market changes, the said contract shall be cancelled.

Having entered into the contract, it is not China's place to complain of the one-sided nature of its stipulations, but the inequity of the whole transaction will be appreciated when it is realized that every single Article to Japan's advantage is thoroughly exploited, while fulfilment of the compensating *quid pro quo* for China is refused. Since the contract was signed in 1919, the Japanese have repeatedly turned down China's request for the issue of bonds in accordance with their undertaking, thereby causing heavy loss to China during all these years. The most astonishing part of the business is that while the bonds have not been

issued, commission for their issue has been deducted from the advance made by the South Manchuria Railway!

But the crowning inequity is that Japan took it upon herself to raise the interest rate of 7½ per cent agreed for the advance to 9V2 per cent, which was cut down after considerable protests on the part of China to 9 per cent. The advance was later converted into a short-term loan, renewable yearly, but following the same policy as in the case of the Kirin-Changchun Railway, the financial position of the line has been rendered so deplorable that the annual gross income of about $7,000,000 has been barely sufficient for administrative expenses, leaving no surplus even to pay interest on the ever-increasing short-term loan. Here, as in the case of the Kirin-Changchun line, the loss cannot be attributed to any other cause than Japan's deliberate policy of bringing about financial ruin. Since Japan took the line over, the "revenue amounts to 8,140,600 yuan and the expenditure to 5,977,00 yuan, the profit being 2,126,700 yuan."*

Japan's object was so successfully achieved that, upon each renewal of the loan interest had to be added to capital, with the result that, upon the sixth renewal in 1925, the total indebtedness had reached the colossal figure of over Yen 32,000,000 from an original total of Yen 22,000,000.

To remedy this intolerable state of affairs the Chinese Government was ultimately forced in 1926 to demand that the issue of the bonds be no longer postponed without cause, or alternatively that interest be reduced as provided in the contract. The South Manchuria Railway, however, refused to accede to this legitimate request, and in consequence China held herself justified in refusing a renewal of the contract till the S.M.R. agrees to her demands. These are all provable matters of fact, knowledge of which shows how entirely baseless are the Japanese accusations that China's perverseness and repeated breaches of contract have provoked her to take the measures she did in Manchuria in September, 1931. Japan herself had broken this agreement almost before the ink was dry on it, while China faithfully sustained her onerous obligations for the better part of seven years in the face of Japan's disregard for her engagements.

*Japan-"Manchukuo" Year Book 1934, p.644.

The Taonan-Angangchi line is another feeder to the South Manchuria Railway, being an extension of the Ssupingkai-Taonan line to Angangchi, a town on the Chinese Eastern Railway, 224 kilometres north of Taonan. Built in 1925 and completed the following year, it serves as a ready means of transport for the natural produce of the entire region west of Harbin. The financing of this line, it will be remembered, was obtained by the Japanese as a condition of their non-opposition to the construction of the Mukden-Hailung Railway. When the line was finished the South Manchuria Railway Company submitted an account showing the cost as Yen 13,125,000, wherein was included an item for "miscellaneous expenses" amounting to Yen 2,075,961. When requested to explain this item the Company made out a most extraordinary statement, showing, for instance, charges of approximately Yen 212,000, Yen 150,000 and Yen 115,000 for "extra salary," "travelling expenses," "office expenses," respectively. There was another item of over a million yen for the "contract of construction," for which no legal basis whatsoever could be cited, and repeated requests for an explanation and adjustment have produced no response from the Japanese authorities.

ESTIMATED COSTS DOUBLED.

By far the most serious conflict between the political interests of China and Japan was waged over the extension jof the Changchun-Kirin line eastward from Kirin through Tunhua, Laotoukow and Lungchintsun, beyond the Tumen River (which forms the boundary between China and Korea) to Hueining (or Kwainei) the terminus of the Korean Railway system.

Two distinct controversies have arisen in regard to this line. The first related to a half-section of the line, between Kirin and Tunhua, which was completed and opened to traffic in 1928. There arose certain disputes over technicalities arising out of the contract, which have been described by the Lytton Commission as "obviously suited for arbitration or judicial discrimination." Japan charged China with having failed to convert their advances for construction purposes into a formal loan secured by the earnings of the railway, and further with having failed to appoint a Japanese accountant for the line. These charges, however, were palpably unjust, which explains Japan's objection to a peaceful and legal adjudication of the issue. Both the appointment of a Japanese accountant and the conversion of the money advances

into a formal loan, are acts which China is not obligated by the contract to do until after the line is completed and inspected and the work and accounts approved and the line formally taken over. The inspecting committee of railway experts found a considerable number of engineering defects, while the accounts show, upon comparison with the experts' figures, excessive over-charging of various items ranging between two and ten times the actual cost. The whole total demand amounted to over Yen 13477,000 as against an estimated actual expenditure of Yen 6,300,000! Repeated requests for an enquiry, revision, and other forms of peaceful settlement have met with refusal from Japan.

JAPANESE CLAIM TO KEY POSITIONS.

The second and more vital issue concerns the non-completion of the remaining section of the line from Tunhua to Hueining (Kwainei). Japan claimed that China had undertaken to do this work, notably under the Chientao Agreement of 1909, which stipulates that:—

"The Government of China shall undertake *to* extend the Kirin-Changchun Railway to the Southern boundary of Yenchi, and to connect it at Hoiryong (Hueining) with a Korean railway, and such extension shall be effected on the same terms as the Kirin-Changchun Railway. The date for the commencement of the proposed extension shall be determined by the Government of China, considering the actual requirements of the situation, and upon consultation with the Government of Japan."

This, however, was not "a definitive loan contract agreement, obligating China, without condition and before a certain date, to permit Japanese financiers to participate in the construction of such a line." Apart from the actual terms of the contract, which leaves the question of completion of the line entirely at the discretion of the Chinese Government, the latter's refusal to build the line was justified by the Japanese demand for the right to appoint its own nationals to the key positions—a claim possessing no discoverable legal basis in any relevant treaty or contract.

The securing of key appointments is of extreme importance in this instance because in addition to being of unusual commercial value, the railway is of paramount strategic importance to Japan, and constitutes a veritable danger to the Chinese Republic should its control be in the hands of an unfriendly Power. It would enable Japan, should the need arise, to transport troops from Korea and strike at the heart of the Three Eastern Provinces within a few hours; and Korea lends itself

readily to concentration of troops from Japan both by sea and land. Incidentally, this explains why Japan's choice of a capital for the puppet "State" falls on Changchun. Once the Kirin-Hueining Railway is completed, Changchun would become the junction of important systems connecting the interior with both the Yellow Sea and the Sea of Japan. Its military value to Japan is indeed so tremendous that she is fully prepared to accept the fact that the new line, by providing a shorter route to the sea, would set up intense competition that would react most unfavourably on South Manchuria Railway traffic. The distance from Changchun to Osaka, by way of Dairen, is 1,405 miles whereas it is only 883 via Hueining. The saving of time, of such vital importance in time of war, which could thus be effected, explains Japan's feverish activity today in pushing through a project so long opposed by China.

Considerable space has been devoted to the railway question in Manchuria, but Sino-Japanese politics in that territory have been largely railway politics, and it is necessary to understand the railway question in order to understand the Manchurian situation. Ever since Japan stepped into Russia's shoes after her struggle with that country the former has given to her railway enterprises not only an economic but an ambitious political "mission," aiming at nothing short of absorption of the entire territory of Manchuria and Inner Mongolia into the Japanese Empire. Meanwhile, as has been shown, China, far from being contemptuous of her treaty obligations, as Japan would have the world believe, has consistently honoured her signature even at great loss to herself.

CHAPTER V.

THE WANPAOSHAN AFFAIR.

LIKE many other countries in various parts of the world, China has for nearly twenty .years been vexed by the thorny question of racial minorities. China's problem of the Koreans, however, transcends all others in degree of difficulty in that this racial minority is invested with dual nationality, one being that of an aggressive Power eager to seize any pretext for aggrandizement at the expense of the country which has given these people hospitality.

Since 1869, when a severe famine in Korea drove the first Korean refugees into the rich and sparsely-populated plains of Manchuria, a constant stream of Korean emigrants have settled down on Chinese soil, until at the present time they have reached the number of approximately 800,000, of whom more than half are in the Chientao region, on the eastern border of Kirin Province. To the question of their national status may be traced practically all the Sino-Japanese conflicts that have arisen in connection with them.

The substance of Japan's charges against the Chinese authorities is that they have shown discriminatory treatment against and committed oppression of Koreans, particularly in the matter of acquisition, by purchase or lease, of land in Manchuria. Discrimination to an extent not unusual in any country faced with such a problem, the Chinese frankly admit. Not only is it entirely justified, but any Chinese Administration which did not follow such a policy would be guilty of remissness in its duty. This point will be clearly appreciated when Japan's policy in this matter is understood.

THE STATUS OF KOREANS IN MANCHURIA.

The presence in Chinese territory of a large number of persons who were repeatedly claimed as being under the protection of a State having extra-territorial rights led to considerable friction between China and Japan as far back as 1907. Then the Treaty generally known as the Chientao Agreement was signed, Article 4 of which stipulated that "Koreans residing north of the Tumen River and engaged in agriculture

shall be subject to the jurisdiction of the Chinese officials of the territory." But no sooner was the matter in dispute thus satisfactorily settled than there arose another aspect of the question as the result of Japan's annexation of Korea, which at once converted Koreans into Japanese subjects.

May Koreans lawfully purchase or lease agricultural lands in Manchuria outside the Chientao District? On this point there are two conflicting views, Japan maintaining the affirmative and China the negative. There exists no Treaty or other Agreement specifically giving or denying to Koreans the right of residence and trade in Manchuria outside the Treaty Ports, or the right to lease or otherwise acquire land anywhere except within the Chientao region. Japan rested her claim on the fact that since the Agreements of 1915 granted to her subjects legal capacity to reside and lease lands in "South Manchuria," those Agreements *ipso facto* confer the same rights on Koreans by virtue of their newly-acquired Japanese nationality.

On the other hand, China contended that such rights of residence and land-leasing as Koreans possessed were specifically confined to the Chientao region by the very tenor of the Chientao Agreement. Furthermore, China questioned the validity of the Agreements of 1915, which were forced on her by threat of war in case of non-acceptance of the Twenty-One Demands; while, even granting that the said Agreements are binding, the application of the Chientao Agreement is expressly saved by a clause in the former specifying that "all existing Treaties between China and Japan, relating to Manchuria, shall, except as otherwise provided for by this Treaty, remain in force," and no exception was ever made for that Agreement. At any rate, the question is one of Treaty interpretation, disputes over which cannot justify resort to forcible measures while there exist multiple machineries for the peaceful settlement of such differences.

QUESTION OF DUAL NATIONALITY.

These rights of land acquisition, however, are only part of the larger and more delicate question of dual nationality. China from the beginning has looked upon the Koreans with sympathy as victims of Japanese oppression, and freely granted their requests for papers of naturalization, so that upon their adoption of Chinese nationality they enjoyed equal facilities with Chinese in the matter of acquisition of land. Japan, however, refused to recognize the capacity of the Koreans to expatriate them-

selves, notwithstanding that there are no provisions in her Nationality Laws to that effect, and "Japanese subjects" could freely renounce their nationality. This fact lends support to the Chinese attitude with respect to land acquisition, that Koreans are not entitled to the same privileges as are granted by the Agreements of 1915 to Japanese subjects, inasmuch as they do not enjoy the same status as natural-born Japanese. For it is neither logical nor equitable to hold that Koreans could be Japanese subjects with rights and responsibilities in some respects, but not in others, which is precisely what the Japanese claim amounts to.

KOREANS AS TOOLS OF JAPANESE IMPERIALISM.

The conflicting attitudes of China and Japan on this issue represent the conflict between two national policies. It is the conviction of the Chinese Government that the Koreans are being used merely as tools of Japanese imperialism directed against China. Firstly, in pursuance of their programme of expansion, it is a studied policy of Japan to make life so intolerable for Koreans, both politically and economically, in their native country that they would naturally migrate into Manchuria, leaving their places in Korea to be taken by immigrant Japanese. Secondly, in this manner, the Koreans could serve the additional purpose of acting as a vanguard for Japanese penetration and absorption of Manchuria.

The achievement of this object has been planned in two ways. In the first place, the Japanese used the Koreans as a means of evading the Chinese law against their acquisition of land. When those Koreans, who preferred life in Manchuria to being under Japanese oppression in their native land became naturalized Chinese citizens, and lawfully acquired lands, Japan promptly claimed jurisdiction over them by refusing to recognize their expatriation. Through her Consular police and other extra-territorial authorities, all kinds of pressure were brought to bear to make them transfer their holdings to Japanese individuals or land mortgage associations. In this way considerable tracts of agricultural land in Chinese territory have passed illegally into Japanese hands.

The necessity of combatting this insidious form of penetration caused the Chinese authorities to devise ways and means to keep a check upon this thinly camouflaged Japanese acquirement of land by promulgating laws, such as that of May 1931, whereby the Kirin Provincial Government prohibited Chinese citizens from mortgaging land to Japanese banks and other financial companies, prohibited Chinese or Korean

farmers from selling farming oxen to foreigners, and provided that Korean farmers were to be deported for violation of Chinese laws. It is manifest that no Chinese Government can look with equanimity upon the growth of a body of alien landholders, who make no secret of their political enmity and their designs against the security of the State.

ABUSE, OF EXTRATERRITORIAL PRIVILEGES.

In the second place, the presence of 800,000 Japanese subjects in Chinese territory, over whom Japan exercises extra-territorial jurisdiction, provides endless pretexts for intervention in China's internal administration. This is illustrated by the frequent clashes between the Japanese Consular and military authorities and railway guards and the Chinese administrative authorities, thus described by the Report of the League Commission of Enquiry:—

> "The Japanese claim of right to maintain Consular police in Manchuria as a corollary of extra-territoriality became a source of constant conflict where the Koreans were involved. Whether the Koreans desired such Japanese interference, ostensibly in their behalf, or not, the Japanese Consular police, especially in the Chientao district, undercook not only protective functions but freely assumed the right to conduct searches and seizure of Korean premises, especially where the Koreans were suspected of being involved in the Independence Movement, or in Communist or anti-Japanese activities. The Chinese police, for their part, frequently came into collision with the Japanese police in their effort to enforce Chinese laws, preserve the peace, or suppress the activities of 'undesirable' Koreans. Although the Chinese and Japanese police did co-operate on many occasions, as provided for in the so-called 'Matsuya Agreement' of 1925, in which it was agreed that in eastern Fengtien Province the Chinese would suppress 'the Korean societies' and turn over 'Koreans of bad character' to the Japanese on the latter's request, the actual state of affairs was really one of constant controversy and friction. Such a situation was bound to cause trouble."

A few instances of Japan's abuse of extra-territorial privileges may be cited to exemplify the difficulties placed in the way of the Chinese authorities. On May 16, 1930, a number of Koreans were caught by the Customs authorities at Antung engaged in smuggling activities. Contraband goods to the value of 9,700 gold units having been confiscated in accordance with Customs regulations, the same Koreans the following day twice made armed attacks upon the branch office of the Customs at Doo-kiang, while the Japanese police in a near-by station took no

notice of the incident. It has always been thus **that** the **Japanese police,** whose supposed duties are to preserve the peace among nationals of **their** country, have been instrumental in encouraging disorder instead. **What is even** worse, the desire to protect their fellow-nationals in utter disregard of the merits of each particular case has even induced them to lend their assistance to unruly elements and law-breakers against the Chinese authorities legitimately engaged in the performance of then-regular duties. Thus, on October 28 of the same year the Chinese officers of the branch Customs office at Kiang-Chiao were forcibly prevented by several Japanese from searching a Korean arrested and charged with smuggling. In the ensuing melee two Chinese officers were wounded, while the Korean made good his escape. Several Japanese policemen who were present made no attempt to interfere, but when the Korean was subsequently apprehended by the Chinese, the Japanese authorities lost no time in demanding his instant release! Finally, there is the well-known Wanpaoshan Affair, one of the serious incidents creating the tension "Which preceded the 1931 conflict.

THE WANPAOSHAN AFFAIR.

This incident acquired exaggerated importance in view of its proximity to the Mukden incident and the repercussions it caused both in Korea and China, intensifying the already existing tension in Sino-Japancse relations. In fact it was no more serious than the many other conflicts which occurred in Manchuria every year between nationals of the two countries. The incident itself involved no loss of life; but distorted and sensational accounts in the Press so inflamed public opinion in Korea that it led to riots in many cities, when Korean mobs massacred 127 and wounded 393 Chinese, and destroyed Chinese property to the value of Yen 2,500,000. The passivity of the Japanese authorities—who had been previously apprised by Chinese Consuls and representative organizations of the menace to Chinese lives and property, but took no steps to afford the necessary protection, until the mobs had practically finished wreaking vengeance—contributed in no small degree to Japan's culpable responsibility for the entire affair. It may be mentioned, too, that no effort was made to check the dissemination, of false and inflammatory reports about the Wanpaoshan incident, notwithstanding Chinese protests, thus creating an atmosphere charged with anti-Chinese feeling tending to cause trouble. Not since the days of the Boxer Rising has China failed, as Japan did so signally in this

case, to protect foreign lives and property with such disastrous results—a fact it will be well to remember when invidious comparisons are made between China and her neighbour. One thing leading to another, these riots in Korea and the massacres of Chinese caused a revival of the anti-Japanese boycott, and further exacerbation of Sino-Japanese feeling.

The Wanpaoshan affair also serves to exemplify the pernicious abuse by Japan of her illegal Consular police in China, as well as the outrageous disregard by her Consular representatives for Chinese law. Wanpaoshan is a small village about 18 miles north of Changchun, deriving its water-supply from the adjacent Itung River. By a contract dated April 16, 1931, one Hao Yung-Teh, a Chinese broker, leased from a number of Chinese a large tract of land for rice-planting. The last article of the contract stipulated that the lease was to be null and void if it failed to secure the approval of the District Magistrate. Before such approval was obtained, however, Hao Yung-Teh sub-leased the land to a group of Koreans, without mentioning this important clause about obtaining official sanction. Immediately the Koreans began digging an irrigation canal of considerable dimensions, and over six miles in length, to divert water from the Itung into their land. This canal traversed large areas of private land under cultivation by Chinese who were in no way concerned with the lease or sub-lease; and apart from doing considerable damage to their property, rendered their lands subject to flooding during heavy rains. Moreover, the river was dammed to divert water into the canal, resulting in serious inconvenience to boat-dwellers as well as impeding free use of the river as a means of communication.

The construction of the canal was well under way, when the Chinese farmers whose lands had been damaged protested to the local authorities, who sent police officers to order the Koreans to cease their unlawful activities, but they were forestalled by the Japanese Consul at Changchun, who detailed Japanese police to support the Koreans. Negotiations between the authorities on the spot failed to effect a settlement, whereupon the Japanese Consul at Changchun despatched a large number of Koreans to Wanpaoshan to complete the work, under the protection of 600 police armed with machine-guns. These officers forcibly seized the houses of the Chinese farmers for their headquarters, and by the end of June the canal and dams were completed. Meanwhile, on June 8, a tentative agreement was reached between the local Chinese and Japanese authorities, whereby both sides agreed to withdraw their respective police

forces, and appoint an investigating committee, while the Koreans were to cease their unlawful activities—a stipulation not observed.

Although the inquiry was participated in by two members of the Consulate staff and one representative of the South Manchuria Railway on the Japanese side, they showed no sincerity in trying to reach an amicable settlement. Various proposals by the Chinese authorities were turned down, and finally the patience of the farmers was exhausted by the evident Japanese determination to violate their rights. Some 400 of them on July 1st, took matters into their own hands, and proceeded to fill in nearly a mile of the ditch, whereupon the Japanese police opened fire and dispersed them. This incident led to further exchanges of Notes between the two countries, reviving the issues of the privilege of Koreans to reside in South Manchuria and the violation of China's sovereignty by the despatch of armed Japanese Consular police into Chinese territory. The Wanpaoshan affair has never been settled, for three days after the delivery of the Waichiaopu's second Note to the Japanese Charge d'Affaires on September 15 came the Japanese invasion of Manchuria, starting with the occupation of Mukden.

THE NAKAMURA CASE.

About the same time as the Wanpaoshan affair there was the equally notorious Nakamura. case. Captain Shintaro Nakamura was a Japanese military officer on active service, who met his death at the hands of Chinese soldiers in the interior of Manchuria, somewhere beyond Taonan, about June 27, 1931. The Japanese Government admitted that he was "travelling in Inner Mongolia by order of the General Staff," but it is very curious that an army officer should be engaged on an authorized mission in a foreign country while keeping secret his professional identity, and posing as an agricultural expert interested in technical research—unless of course his mission was one of military espionage. The purpose of his journey has never been revealed, but that he was actually engaged in spying admits of no doubt in view of the fact that notebooks found on his person contained data concerning military positions, strategic locations, and other matter relating to the conduct of military operations. Another fact worthy of mention is that the officer had been expressly warned against venturing into the region where he met his end because it was a bandit-infested area, and that such warning had been expressly noted on his passport. Furthermore, Nakamura carried a very large sum of money with him, a fact of

which no plausible explanation has been given. It is no secret that Japan's designs against China's domains included not only Manchuria but also Mongolia, and from the fact that this officer was on his way to Inner Mongolia it may be inferred that he was not only a spy, but was sent by the Japanese Government to suborn Mongol chieftains from their allegiance to the Chinese Government. This conclusion is borne out by the increasing activities of Japanese agents in Mongolia since the occupation of China's North-Eastern territories. It would appear that Nakamura was executed by Chinese soldiers under Kuan Yu-Heng, Commander of the Third Regiment of the Reclamation Army, but whether by his orders or not has never been discovered; for before the court-martial could establish his guilt or innocence Japan had commenced her invasion of Manchuria.

In view of the obviously illegal activities of Nakamura directed against the Chinese Republic, it is not to be wondered that he should meet his end at the hands of over-zealous Chinese soldiers, who probably were under the erroneous impression that they were lawfully entitled to execute a spy who had been caught in *flagrante delicto.* But the Chinese Government showed readiness to assume its responsibilities and adjust the matter to the entire satisfaction of Japan. As soon as China was able to connect Nakamura, the military man (of whom there was no record by the authorities granting the passport), with Nakamura, the "agricultural expert," investigators were detailed to make the necessary enquiries. The Japanese being dissatisfied with the findings, the Chinese authorities readily agreed to make a second enquiry; and when the investigators returned the Japanese Consul at Mukden was informed on September 18 that Commander Kuan Yu-Heng had been brought to Mukden two days previously, and would be immediately tried by court-martial.

As further proof of the anxiety of the Chinese authorities to settle this matter amicably, General Chang Hsueh-Liang, when informed of the resentment of the Japanese military, sent Major Shibayama, his Military Adviser, to Tokyo on September 12, where the latter gave a statement to the Press that General Chang was sincerely desirous of securing an early and equitable settlement of the Nakamura issue. "In the meantime," says the Lytton Report in reviewing this incident, General Chang "had sent Mr. Tang Er-Ho, a high official, on a special mission to Tokyo to consult with the Minister for Foreign Affairs, Baron

Shidehara, in order to ascertain what common ground might be **found** for a solution of various pending Sino-Japanese questions concerning Manchuria. Mr. Tang Er-Ho had conversations with Baron Shidehara, General Minami, and other high military officials. On September 16," General Chang Hsueh-Liang "gave an interview to the Press which reported him as saying that the Nakamura case, in accordance with **the** wish of the Japanese, would be handled by Governor Tsang Shih-Yi and the Manchurian authorities, and not by the Foreign Office at Nanking." In the light of all these conciliatory measures taken by the Chinese, there existed no grounds for magnifying the issue, nor for supposing that it could not be satisfactorily settled.

The fact, however, was that the Minseito party in Japan, which then formed the Government, was determined to curb the reckless military expenditures of the War Office, and it was necessary for the Japanese militarists to justify their demands upon heavily-burdened taxpayers. They accordingly seized the opportunity to divert popular attention abroad by magnifying the Nakamura case, declaring it to be a national insult which had to be wiped out by resort to force, and generally adopted the usual tactics for creating a popular war-fever. Incidentally, the massacres of peaceful Chinese residents in Korea had to be covered up; and this was effected by intensifying the agitation over the Nakamura issue. That there was no sincerity on the part of Japan to reach an amicable settlement of the case there can be little doubt. Thus, during the negotiations General Minami, Minister of War, declared:—"The Foreign Office has been entrusted with diplomatic negotiations regarding the case. There will be no concessions. Regardless of what Mr. Wang Cheng-Ting may say, *we shall push ahead with the policy we have adopted."* The importance of the case had been deliberately and disproportionately exaggerated, simply as a pretext for the military occupation of Manchuria.

CHAPTER VI.

RELATIVE INTERESTS OF CHINA AND JAPAN.

AFTER having presented the various specific issues over which China and Japan have been at loggerheads for decades preceding the crisis of 1931, it is necessary to trace the relative claims of the two countries to paramountcy in Manchuria, and their respective interests therein. China's title has been so thoroughly investigated, and her rights upheld in such unequivocal terms by the League Commission of Enquiry, that it would be superfluous to repeat what is incontestable but for the fact that Japan's propagandists have sedulously hidden the truth, and by the process of persistently propounding fallacies as axioms have anesthetized the critical and reasoning faculties of the world.

There is a very deplorable tendency in most countries to-day to be little the importance of the Three Eastern Provinces and Jehol to China, and to regard the Japanese invasion of Chinese territory in Manchuria in a less reprehensible light than any incursion south of the Great Wall. But this distinction is invidious, and must not be allowed to stand. Manchuria is as much Chinese territory as the other provinces within the Wall; and the tendency of certain foreign countries to consider the Japanese invasion as involving nothing else than a principle —albeit an important one—of international law is in effect a subscription to the Japanese contention that the invasion of Manchuria is nothing more than a "local incident." An appropriate idea of the magnitude of this "local incident" may be formed by those who are of this mind if they realize that, since Japan's attack upon China's territorial integrity in 1931, she has entered into occupation—permanently, it would seem—of an area the size of France and Germany together, or, if one may use another standard of comparison, an area equal to the combined size of a dozen States such as Great Britain, Belgium, Denmark, the Netherlands, Portugal, Switzerland, Czechoslovakia, Latvia, Lithuania, Greece, Yugoslavia, and Ethonia!

MANCHURIA AN INTEGRAL PART OF CHINA.

"The Chinese people regard Manchuria as an integral part of China

and deeply resent any attempt to separate it **from** the rest of their country. Hitherto, these Three Eastern Provinces have always been considered both by China and by foreign Powers as a part of China, and the *de jure* authority of the Chinese Government there has been unquestioned. This is evidenced in many Sino-Japanese Treaties and Agreements, as well as in other international Conventions, and has been reiterated in numerous statements issued officially by Foreign Offices, including that of Japan." In these words the Lytton Report sums up the Chinese attitude regarding the invaded **territory.**

In this connection, it may be mentioned that even Japan, prior to the Mukden coup of 1931, recognized and in principle respected the political, territorial, and administrative integrity of China both within and without the Great Wall, Japan being one of the signatories of the Nine-Power Washington Treaty of 1922, guaranteeing complete Chinese sovereignty. For instance, Baron Shidehara, Japan's chief delegate at that Conference, expressed the attitude of his Government in the following words:—"No one denies to China her certain rights to govern herself; no one stands in the way of China to work out her great national destiny." Japan knows as well as any other Power that from the Chow Dynasty (1122—249 B.C.) both Korea and Manchuria were ruled by Chinese princes, and that with the conquest by Han Wu-Ti in 109 B.C., Chinese influence in Manchuria was considerably increased. Chinese settlers during that period sowed the seeds of Chinese culture in that part of the Empire so effectively that it soon brought under its influence the non-Chinese tribes. The founding of the Ching or Manchu Dynasty in 1644 was purely a dynastic change, Manchuria having been governed ever since then as an integral part of China. It was only for the purpose of justifying her international brigandage that Japan has lately advanced the argument that Manchuria was "not naturally and necessarily a part of China."

In support of this preposterous assertion Japan quoted what was alleged to be the published opinion of Mr. J. Escarra, a noted French jurist and Adviser to the Chinese Government, and also cited the "independence" of Chang Tso-Lin. This contention, however, was summarily dismissed in the League Assembly Report, which was adopted on February 24, 1933. The relevant passage is as follows:—

> "The rights conferred by China on Russia and subsequently on Japan derive from the sovereignty of China. Under the Treaty of

Peking in 1905, 'the Imperial Chinese Government consented to all the transfers and assignments made by Russia to Japan,' under the Treaty of Portsmouth. In 1915 it was to China that Japan addressed demands for the extension of her rights in Manchuria, and it was with the Government of the Chinese Republic that, following on these demands the Treaty of May 25. 1915. was concluded concerning South Manchuria and Kastern Inner Mongolia. At the Washington Conference the Japanese delegation stated on February 2, 10,22, (hat Japan renounced certain preferential rights iu Manchuria and Kastern Inner Mongolia, and explained that 'in coming ;o this decision Japan had been guided by a spirit *of* fairness and moderation, having" always in. view China's sovereign rights rind the principle of Equal Opportunity.' The Nine-Power Treaty concluded al the Washington Conference applies to Manchuria as 10 every other part of China. Finally, during the first phase of the present conllia, Japan never argued that Manchuria was not a part of China."

in regard to Chang Tso-Lin's "independence," the refutation of (he Japanese thesis by the League Report is equally crushing:—

"The independence proclaimed by Marshal Chang Tso-Lin at different limes never meant that either he or the people of Manchuria wisfied to be separated from China. Mis armies did not invade China as if it were a foreign country, but merely as participants in the civil war. Through all its wars and periods of 'independence' Manchuria remained an integral part of China. Further, since 1928, General Chang Hsueh-Fiang has recognized the authority of the National Government."

The piecemeal citation of Mr. Escarras work, severed from the context, and deliberate misinterpretation of his statements, called forth a strong retort from that jurist himself. In a letter to Dr. Wellington Koo, dated November 22, 1932, he wrote:—"Le procede de citation employe et Tinterpretation donnee d'un passage du livre en cause sont caracteristiques de Ia mauvaisc foi traditioneile du Gouvernement JaponaisT Thus Japan is confounded and discredited by the very authority she has cited and misrepresented as supporting her case!

Moreover, large-scale emigration of Chinese farmers from Shantung and Hopei into the fertile and sparsely populated Three Eastern Provinces, encouraged by **China** since **the** founding of the Republic, has resulted in the **territory being under** occupation almost entirely by Chinese. It is **reliably estimated that over** 28 **of the 30** million inhabitants are Chinese, so that, **as the Assembly Repon** puts **it,** Manchuria became in many respects "a **simple extension of China north** of the Great Wall."

STRATEGIC IMPORTANCE OF MANCHURIA.

The strategic importance of Manchuria to China cannot be overestimated. North China is naturally exposed to invasion from that direction, and possession of that territory is absolutely vital to China's national defence. History had repeatedly shown that an enemy entrenched in Manchuria has Peiping and China south of the Great Wall at his mercy and can take possession of such points with comparative ease. In modern times the fear of foreign invasion from the north-east has been greatly increased by the development of railway communication, which even now is being prosecuted with extraordinary energy by the Japanese.

There exists, therefore, a striking parallel between conditions in China to-day and those of the Sung and Ming Dynasties. When the Ming authorities lost Jehol, Dolonor and Shenyang (Mukden) to the Manchus, the Mings had to convert Hopei Province from the second into their first line of defence, which was nevertheless ineffectual to prevent the invaders from penetrating the Wall. An earlier inroad into China from the north was that of the Mongols in the time of the Sungs. In the present day, faced with two powerful and aggressive neighbours, Japan and Soviet Russia, Manchuria is of vital strategic importance to China as constituting a, buffer against the adjoining territories of these two countries. Hence, more than the loss of any other part of the Republic, China's resentment is stirred by Japan's veiled annexation of Manchuria. The permanent presence of Japan in the north is a menace to China's existence, and, as a challenge to Russian interests in the Far East, will remain a constant danger to peace.

CHINA'S ECONOMIC INTERESTS.

The mineral wealth and fertility of Manchuria are known throughout the world, as also its potentiality as an outlet for the surplus population of China.

Its forests yield valuable timber, while in the way of minerals, chief in importance come the extensive coal deposits estimated at roughly 1,700,000,000 tons. In relative proximity to the coalfields are large deposits of iron, making their development economically profitable; while gold is also known to exist. The abundance of other mineral resources, such as oil-shale, dolomite, copper, lead, magnesite, limestone, fireclay, steatite, and silica of excellent quality gives promise of thriving mining activities in time to come. For instance, the oil-shale deposits are estimated at

5400,000,000 metric **tons, and constitute one of the** most important mineral resources of the territory.

As regards agriculture, the soil of Manchuria is generally fertile, while there is added advantage in that the region is as yet very sparsely populated. Indeed the Chinese regard Manchuria as the "granary of China," with its wide expanse of arable plains extending over the whole of Central Manchuria, and comprising the basins of the Liao, Sungari, Nonni and Hulan Rivers. The production of such crops as soya-beans, kaoliang, wheat, millet, barley, rice, and oats, has doubled during the last fifteen years. The estimated total output of these crops in 1929 was over 876,000,000 bushels, while the total value of the agricultural products of Manchuria for 1928 was estimated at over ^130,000,000. According to the *Manchuria Year Book* for 1931 only 12.6 per cent of the total area has been brought under cultivation in 1929, whereas 28.4 per cent was cultivable. The ability of this region to support a much larger agricultural population is therefore clearly apparent.

In this respect, Manchuria is economically a "lifeline" to China in affording a solution for the over-population problem so acute in the Republic. A comparison of statistics will make this plain. The density of population in Japan is 156 inhabitants per square kilometre, which is less than in Belgium and Holland with 250 and 200 respectively, and only slightly more than in England, Germany, and Italy, with, respectively, their 140, 135, and 130 per square kilometre. On the other hand, the Provinces of Kiangsu, Chekiang, and Shanjtung support respectively 345, 253 and 237 inhabitants for each similar unit of area.

Even according to Japanese sources, the net Chinese immigration into Manchuria, represented by the excess of labourers entering over those leaving, each year reaches a figure which illustrates vividly the exodus from the over-populated areas of China into Manchuria's open spaces. The following figures will suffice as an example:—1925, 275,000; 1926, 292,000; 1927, 709,000; 1928, 544,000; 1929, 424,000. These returns indicate beyond all doubt that Manchuria is a necessary and natural outlet for China's surplus population.

BASIS OF JAPANESE CLAIMS.

In direct contrast to the inherent strength of China's case, both morally and legally, with regard to Manchuria, deprecation of Japan's vague and uncertain claims over admittedly Chinese territory is manifest in the tersely dispassionate language of the Lytton Report, in which these

claims were baldly stated. "Patriotic sentiment, the paramount need of military defence, and the exceptional treaty rights," says that Report, "all combine to create the claim to a 'special position' in Manchuria. The Japanese conception of this special position is not limited to what is legally defined in Treaties and Agreements either with China or with other States."

"Deep in the mind of every Japanese," it is stated in another part of the Report, "'is the memory of their country's great struggle with Russia in 1904-5, fought on the plains of Manchuria, at Mukden and Liaoyang, at the Yalu River, and in the Liaotung Peninsula. To the Japanese the war with Russia will ever be remembered as a life and death struggle fought in self-defence against the menace of Russian encroachments. The fact that a hundred thousand Japanese soldiers died in this war and that two billion gold Yen were expended, has created in Japanese minds a determination that these sacrifices shall not have been made in, vain.

"Japanese interests in Manchuria, however, began ten years before that war. The war with China, in 1804-5, principally over Korea, was largely fought at Port Arthur and on the plains of Manchuria:, and the Treaty of Peace signed at Shimonoseki ceded to Japan in full sovereignty the Liaotung Peninsula. To the Japanese the fact that Russia, France and Germany forced them to renounce this cession does not affect their conviction that Japan obtained this part of Manchuria as the result of a successful war, and thereby acquired a moral right to it that still exists/'

Thus the League Commissioners presented this aspect of the Japanese claim, in its strongest form. And every fair-minded observer must realize that even the strongest argument is still too weak. Even granting that Japan possesses a "moral right" to Liaotung, that is only a small portion of Manchuria, while the argument that the Japanese have a right to Manchuria because they fought a war there betrays not only Japan's poverty of excuses but also logic—as though Waterloo gave Great Britain the right to own Belgium!

With regard to her strategic needs, Japan has often argued that Manchuria is necessary to insure her national independence and security from attack. Japanese civil and military leaders have repeatedly referred to an external menace and emphasized the need for a strong defence, revealing their anxiety to seize Manchuria in order that it might serve

as a buffer for Japan in Korea against the neighbouring States of Soviet Russia and China, particularly the former. But international law docs not recognize, and never will, that one State can despoil a friendly neighbour of territory for purposes of defence against another neighbour, however vital such a step may be for self-defence. To allow this would be merely sanctioning international lawlessness and wars of aggrandizement and aggression under a disguised name. Indeed, Japan's plea of justification is categorically dismissed by the following finding of the League Assembly in full session:—

> "Without excluding the possibility that on the night of September 18, 1931, the Japanese officers on the spot might have believed that they were acting in self-defence, the Assembly cannot regard as measures of self-defence the military operations carried out on that night by the Japanese troops at Mukden and other places in Manchuria. Nor can the military measures of Japan as a whole developed in the course of the dispute be regarded as measures of self-defence."

JAPANESE CASE DISMISSED BY LYTTON COMMISSION.

In the preceding pages it has been seen that, by virtue of the Treaty of 1905 and the Treaty and Notes of 1915 forced on China by the Twenty-One Demands, Japan acquired some, and arrogated to herself various other, rights in Manchuria, the effect of which was to restrict the exercise of sovereignty by China in a manner and to a degree quite exceptional. In consequence she has repeatedly expressed, in vague and elastic terms too obscure to understand, her claim to a "special position" in that portion of Chinese territory. More than that, she has bent every effort to obtain recognition of this claim by other States. That her case is insupportable on this ground is the conclusion of the Lytton Commission, expressed as follows:—

> "The Japanese Government, since the Russo-Japanese War, has at various times sought to obtain from Russia, France, Great Britain, and the United States recognition of their country's 'special position', 'special position and interest', or 'paramount interest' in Manchuria. These efforts have only met with partial success, and where recognition of such claims has been accorded, in more or less definite terms, the international Agreements or understandings containing them have largely disappeared with the passage of time, either by formal abrogation or otherwise, as, for example, the Russo-Japanese secret Conventions of 1907, 1910, 1912 and 1916, made with the former Czarist Government of Russia; the Anglo-Japanese Conventions of alliance, guarantee and declarations of policies; and the Lansing-Ishii exchange of Notes of 1917. The signatories of the Nine-Power Treaty of the

Washington Conference of February 6, 1922, by agreeing 'to respect the sovereignty, the independence, the territorial and administrative integrity' of China, to maintan 'equality of opportunity in China for the trade and industry of all nations/ by refraining from taking advantage of conditions in China 'in order to seek special rights or privileges' there, and by providing the fullest and most unembarrassed opportunity for China to develop and maintain for herself an effective and stable Government', challenged to a large extent the claims of any signatory State to a 'special position', or to 'special rights and interests' in any part of China, including Manchuria."*

Indeed, the real Japanese motive is no other than aggressive nationalism. The uncontrollable military faction which has dominated Japanese politics ever since the invasion of Manchuria now pay heed to nothing but that passion. There were wiser and more moderate elements among the Japanese leaders in the earlier stages who were not so possessed, but some have fallen by the hands of assassins, while others have been silenced by sinister threats. The Japanese have produced a long string of arguments to justify their policy, but, as an English writer, Freda White, describes it, "none of them bears analysis, skilfully cooked as they are with the sauce of the country to which they are served. The United States have been flooded with appeals to dollar mysticism; Japan has an indefeasible right to Manchuria because she has great trading interests and investments there. But Japan had as great a share of Manchurian trade as she needed—nearly half of it. In any case, the total trade of Manchuria is worth only a fraction of the Chinese market within the Wall which she has thrown away. Great Britain is asked to applaud Japan for restoring order in a lawless land. This is eyewash, too. Manchuria, for China, was orderly. No anarchical country exports great and increasing quantities of peasant-grown foodstuffs. The people were over-taxed, but they were tolerably secure. The invasion produced anarchy indeed, the destruction of Chinese authority and the bombing of villages causing a great increase of banditry and famine in the North, where the peasants dared not till the fields. Lastly, all the West is asked to recognize Japan as the barrier against Communism in the East. Yet if Japan felt such moral reprobation of Communism, it seems an odd way of expiessing it to attack the National Government, which in 1931 was engaged in a critical struggle against the Communists of China."

* See Appendix II.

Despite her poses of righteousness alternating with swashbuckling and militant gestures, Japan is aware of her long and relentless oppression of China, and is acutely fearful of retribution from her victim. In the words of the League Commissioners, "the vision of a China, unified, strong and hostile, a nation of four hundred millions, dominant in Manchuria and in Eastern Asia, is disturbing to many Japanese." Japan is vividly conscious that even if China is a weak State, the Chinese are a strong nation. Even at her weakest she has produced manifestations of solidarity extending far beyond the bounds of Chinese rule, as instanced by the boycott, which was practised even by Chinese residing in distant foreign lands. Hence Japan has shown herself prepared to go to any lengths to bring about internal dissension and chaos in China, to cripple China physically and economically by her illegal occupation of Manchuria, and to place every possible obstacle in the way of China's realizing her natural aspirations to build up a peaceful and prosperous State.

CHAPTER VII.

ESTABLISHING THE PUPPET STATE OF "MANCHUKUO."

SINCE Japan made her first inroad into Manchuria, as the result of her victory over Russia in 1905 which gave her political control over South Manchuria, she has been vigorously pushing forward her plans for territorial aggrandizement, aiming at the absorption of Mongolia and Manchuria, after the manner of Korea. With this object in view, she has systematically pursued a double policy—aimed on the one hand at the perpetuation of civil strife and the fomenting of seditious movements calculated to prevent the unification of China; on the other, the separation of Manchuria as a distinct entity from the rest of China. The method adopted is not to support one faction against another, but to render simultaneous assistance to both parties so that neither could be permanently disabled, thus prolonging civil war as long as Japanese interests so dictate.

Japanese policy with regard to Manchuria can be divided in its broader aspects into four distinct phases: (1) the encouragement of revolution and instigation of rebellious movements: (2) the financing and perpetuation of civil warfare; (3) the blocking of national unification; and (4) open invasion as a prelude to annexation.

INSTIGATION OF REBELLIOUS MOVEMENTS.

For years Japan was actively interested in the activities, within the confines of the Island Empire, of the pioneer Chinese Revolutionaries against the Manchu regime, and provided funds to support the movement. The real intention, however, was to keep China divided against herself, so that Japan might reap the benefit of the country's internal dissensions, rather than to assist the Revolutionaries in their object of establishing a unified Republic. Hence her double-dealing with both sides. While giving support to Dr. Sun Yat-Sen and his followers, Japan was rendering every assistance to the Manchus at the moment when the Revolution was about to succeed. What she was manoeuvring for in 1911 was the establishment of a Republic in South China, and a Manchu monarchy

in the North. The plot might have succeeded if, among other things, England had stood aloof and acquiesced in Japan's plans.

Sir Claude MacDonald, then British Ambassador to Tokyo, made three successive efforts to prevent Japan from taking a partisan attitude regarding the Chinese Revolution—first by protesting against Premier Ijuin's declaration to Yuan Shih-Kai of Japan's intention to uphold the Manchu Dynasty; then by opposing a projected loan by Japan to the Manchu Government; and again by objecting to Japan's proposed resort to armed force. British views regarding the Chinese Revolution were made clear by Sir Claude when he said;—"The Japanese authorities profess to believe that the Revolution is a series of sporadic local affairs. We don't. We believe it is developing into a national movement. We say that it is like a river in spate; they say it is only a little stream which can be easily stopped."[1]

The difference of opinion between the two Governments was further shown in a Japanese official statement issued at Tokyo:—

> "The Japanese Government from the first considered a monarchical system most suitable for the Government of China, and on Yuan Shih-Kai taking the reins of Government, the Tokyo Foreign Office believed that the trouble in China would come to an end with the adoption of a monarchical Government. On receiving an invitation from the British Government to join in the mediation for peace negotiations, the Japanese Government suggested that the mediation should be undertaken only on condition of the adoption of a constitutional monarchy. The British Government, however, was of a different opinion, and refused to agree to the condition stipulated by the Japanese. "[2]

Thus Japan's schemes against China were for the time being frustrated by the British policy of maintaining a strictly neutral attitude towards the Chinese Revolution.

ORGANIZATION OF SEPARATIST MONARCHICAL MOVEMENT.

In regard to the organization of a separatist movement by the founding of a monarchical regime subservient to Japan in the Three Eastern Provinces, we cannot have better evidence than what has been revealed in a secret document[3] by a well-known Japanese statesman, Baron Shimpei Goto, who held such important positions as Civil Governor of Formosa, Minister of Foreign Affairs, and Minister of Home Affairs. He once

[1] A. M. Pooley; *Japan's Foreign POLIICIES* , 1920. p.69.
2Ibid.
[3] See Appendix III.

published for private circulation among prominent Japanese officials a confidential report exposing the methods employed by the Okuma Cabinet to stir up trouble in Manchuria and Mongolia. While its original purpose was to criticize the shady tactics of the Okuma Government, this publication incidentally provides important first-hand information regarding Japan's machinations for the disintegration of China.

Prince Su, leader of the Manchu Restoration Party, together with his relatives and satellites, had been living in Dairen under Japanese protection since the establishment of the Republic, as proteges of Baron Fukushima. To finance the plot for the overthrow of Yuan Shih-Kai and the restoration of a monarchy under Prince Su in Manchuria, a loan of a million yen was made by Kihachiro Okura, a prominent Japanese banker, while Japanese agents laboured hard to incite an uprising in the North-Eastern territory. An advance payment of Yen 300,000 was made, while the remaining Yen 700,000 was to be retained by the Imperial Japanese Government for future use by the Prince. "Colonel Doi, a Japanese commissioned officer and Commander of the 5th Regiment, was then ordered to bring with him a large number of Japanese non-commissioned officers to organize and plan for the anti-Yuan Shih-Kai armies," declared Baron Goto in his report.

JAPANESE-LED BANDITS ORGANIZED.

As a result more than 2,000 troops were mobilized at Dairen in the spring of 1916. They were chiefly recruited from the Hunghutze bandits in the Three Eastern Provinces, and were organized into an army called the *Chin-Wang Chun,* which was trained by Japanese officers in the Liaotung Leased Territory for several months, with the full knowledge of the Japanese authorities as well as of foreigners and Chinese. Thus overt subversive movements against the established Government of a friendly State were countenanced and organized by the Japanese Government, in violation of International Law.

In order to assure success to the restoration movement, Japan even went so far as to enlist the assistance of Mongolian bandits. According to Baron Goto, "To that end, negotiations were carried on with Bapuchapu. An agreement was signed whereby Japan agreed to supply the bandit chief and his followers with arms and ammunition." Bapuchapu, it may be mentioned, was a notorious Mongol bandit leader, who met his deserved end in the course of conflict with Chinese soldiers some

years ago. His two sons have since been residing in Japan as guests of the Government.

For some time, however, existing conditions were not favourable for any activities by these Mongolian bandits against the South. Hence it was not till after the death of Yuan Shih-Kai that Bapuchapu and his horde suddenly descended upon Manchuria, carrying slaughter and devastation to every place through which they passed. The Chinese garrison troops in the region felt keen resentment against the Japanese "who," Baron Goto admitted, "were mainly responsible for the presence of the Mongolian bandits in that part of the country."

This natural indignation on the part of the Chinese troops led to a dispute with the Japanese forces at Chengchiatun—generally known as the Chengchiatun incident—which Japan seized upon as a pretext to present eight demands to China. This incident occurred when the Mongolian bandits, having penetrated as far as the Manchurian plains, were attacked by the Chinese garrison whereupon the Japanese intervened to save the Mongols from certain extinction. "Thus diverted by the Japanese soldiers from their activities against the bandits," said Baron Goto, "the Chinese soldiers were compelled to let the bandits go scot-free, who quickly found shelter in Kuochiatien, a small district in the zone of the South Manchuria Railway." The Chengchiatun incident shows clearly "an attempt by the Japanese Government to save the Mongolian bandits from annihilation at the hands of the Chinese soldiers."

Not content with this intervention, whereby she had successfully achieved her objective, Japan made special efforts to persuade China to allow the safe return of the bandits to Mongolia. At the same time she caused "the despatch of 800 men out of the 2000 *Chin-Wang Chun* at Dairen, by the South Manchuria Railway to Kuochiatien to join the bandits. These were further supplied with rifles, guns, and machine-guns by Japan. All this was conceived and executed by the Japanese military and civil officials at Dairen. Thus reinforced, the Mongolian bandits and the *Chin-Wang Chun,* instead of returning to Mongolia, started from Kuochiatien on a predatory expedition into the rich districts of the Three Eastern Provinces. They were followed by a detachment of Japanese cavalry which, while pretending to supervise their movements, was really sent to see that no Chinese troops should molest them."

Since the Mongolian bandits were becoming more menacing, as the result of reinforcement by the *Chin-Wang Chun,* Chinese troops had again to launch a punitive expedition against them, but "when everything pointed to the complete annihilation of the bandits, their rear having been cut or? by the Chinese troops, the Japanese again interfered and requested that the Chinese troops allow them to escape unharmed."

The above quotations from a report written by a high Japanese Government official establishes beyond doubt the responsibility of the Japanese Government for the seditious monarchical movement in the Three Eastern Provinces.

SIGNIFICANCE OF THE NISHIHARA LOANS.

Upon Marshal Tuan Chi-Jui's return to power, and during the flourishing days of the Anfu Party in 1917 and 1918, Japan advanced a number of large loans to the Peking Government, aggregating over Yen 150,000,000, which was almost entirely devoted to financing the Anfu faction's campaign against the South. The negotiations were conducted chiefly by Nishihara, Japan's secret agent in China, and the resultant loans are generally known as the "Nishihara Loans." *The most important of these are shown in the following table:—

DATE.	PURPOSE.	AMOUNT (Yen)
September, 1918	First loan for the purchase of arms and ammunition	18,700,000
November, 1018	Second loan for the purchase of arms and ammunition	13,300,000
April 30, 1918	Loan for extension of telegraph lines ..	20,000,000
June 19, 1918	Loan advanced for the Kirin-Huening Railway	10,000,000
August 2, 1918	Loan for gold-mining and forestry in Heilungkiang and Kirin	30,000,000
September 28, 1918	Loan advance for railways in Manchuria	
September 28, 1918	Loan advance for Tsinan-Hsungta and * Kiaochow-Hsuchow Railways	20,000,000
September 19, 1918	Loan for participation in European War ..	20,000,000
	Total Yen	152,000,000

The objects of these loans were twofold. They were intended primarily to finance internecine strife in China, so that the country might exhaust her resources in self-destruction; the ulterior motive was to obtain economic privileges giving her economic control over China. This policy was evidently successful, as purity of motive was the last thing one would

*There are several other loans, such as the Peiping-Suiyuan Railway Loan, which have been erroneously listed among the Nishihara Loans but should be regarded as ordinary loans.

expect to find in the Anfu Clique, and one may presume that the loans were advanced with some understanding as regards concessions for railway lines, gold-mines, and forests in various parts of the country. At any rate, the immediate consequence was the prolongation of civil strife in China. And, from the way in which they were arranged, this was precisely what Japan desired from the flotation of these loans. Indeed, the unusually liberal attitude shown on her part was in itself highly suspicious. Instead of placing any restrictions upon the use of the money, as she was wont to do, these loans were so conveniently arranged that all the amounts advanced were divided among the different war-lords and used for carrying *on* factional strife in China.

JAPAN ADMITS PERNICIOUS EFFECTS OF LOANS.

Under normal circumstances, and if Japan had strictly honourable intentions in making loans which amounted to over 150 million yen, the regular procedure would have been for the Japanese Government to instruct Baron Hayashi, its official representative at Peking, to conduct formal negotiations with China. Instead of that, however, the Japanese Prime Minister appointed his own secret agent, Mr. Nishihara, whose identity remained for a considerable time a mystery, to carry out that duty. "Officially, the Japanese Government was prohibited from pursuing an independent financial course in China, for it and its fiscal agent, the Yokohama Specie Bank, were parties to the international banking group which were signatories, with the approval of their Governments of the Reorganization Loan Agreement."* It was with a view to obviating this difficulty that the loans were conducted through different Japanese banks, such as the Chosen Bank, Taiwan Bank, and the Industrial Bank of Japan, and through the mysterious Mr. Nishihara, ostensibly without the official knowledge or countenance of the Japanese Foreign Office. This explains why, during the period of the Nishihara negotiations, the Japanese Legation at Peking always professed ignorance of and dissociation from his schemes. When, finally, events turned against what, to say the least, was dubious diplomacy, the whole blame for the Nishihara undertakings was thrown upon the Terauchi Government, while the succeeding Cabinet disclaimed responsibility for the shady transactions of its predecessor.

That such a loan policy would prove disastrous to internal peace and unity in China was even admitted by the Foreign Office of the Hara

*Thomas E. Millard, *Democracy and the Eastern Question,* 1919. p.185.

Cabinet, which apparently reversed the loan policy of the previous Terauchi Government because of the opposition of other Powers. In a published statement the **Foreign Office declared as follows:—**

> "It (the Japanese Government) fully realized that loans supplied to China, under the existing conditions of domestic strife in that country, are liable to create misunderstandings on the part of either of the contending factions, and to interfere with the re-establishment of peace and unity in China, so essential to her own interests as well as to the interests of foreign Powers.
>
> "Accordingly, the Japanese Government has decided to withhold such financial assistance to China as is likely, in its opinion, to add to the complications of her internal situation. . . . ."[1]

The sentiment embodied in the above statement brought an end to the Nishihara activities in China, but the damage had already been done, and could not be undone by pious protestations. The loans which had already been wholly or in part advanced to the Anfu Clique materially assisted in continuing warfare against the South, and prolonging the disunity about whicti Japan has been so dishonestly critical.

FRUSTRATING GENERAL Kuo SUNG-LIN'S REFORM MOVEMENT.

Ever since the establishment of the Chinese Republic, Japan has frequently intervened in one way or other to prevent the Three Eastern Provinces from fully co-operating with the Central Government. In order to liberate the Provinces from Japanese domination and control, to which the older generation of officials were subservient, the young and progressive elements of the army in the Three Eastern Provinces started a "purification" movement in 1925, under the leadership of General Kuo Sung-Lin.

As the movement accorded with popular sentiment, it received hearty support from all sides. On November 22, 1925, General Kuo sent out a circular telegram from Luanchow, demanding that Marshal Chang Tso-Lin retire in favour of his son, General Chang Hsueh-Liang,[2] and that all hostilities between the Peking Government and the authorities outside the Great Wall should cease. Without waiting for Marshal Chang Tso-Lin's reply, General Kuo marched his troops beyond Shanhaikwan towards Shenyang (Mukden), the capital of Liaoning Province. In several engagements With Marshal Chang's forces he

[1] *Japan Advertiser,* December, 1918.

2Popularly known as the "Young Marshal," to distinguish him from the "Old Marshal."

inflicted heavy defeats upon them, with the result that the old regime at Mukden was in danger of immediate collapse.

Thereupon Japan promptly intervened. On December 9, the headquarters of the 10th Division of the Japanese army, stationed at Liaoyang, was moved to Shenyang. On the 15th the Japanese Government ordered the forces stationed at Lungshan (Korea) to enter the Three Eastern Provinces, and on the 19th they arrived at Mukden. With large forces concentrated in that city, Japan openly took steps to prevent the march of General Kuo Sung-Lin's forces toward Yinkow, by interdicting the Chinese troops' entry into any area within 20 /i of the so-called "zone" of the South Manchurian Railway.*

As Shenyang is within this area, the Japanese prohibition amounted practically to an ultimatum that any attack by General Kuo's forces upon the capital of the province to overthrow the old regime would bring about armed conflict with the Japanese. The whole Chinese nation was burning with indignation over Japan's violation of Chinese sovereignty by her sending of troops to Mukden and interfering with China's internal affairs. The Waichiaopu at Peking and the Chinese Legation at Tokyo lodged strong protests with the Japanese Government, but Japan entirely ignored China's protests, as well as the indignation of the Chinese people, and there was every indication that the Japanese army, having its headquarters at Shenyang, took an active part in the military operations of Marshal Chang against General Kuo Sung-Lin. It was due to this and to other assistance rendered by the Japanese to the Marshal that General Kuo was finally captured and executed, together with his wife, on the battlefield. Indisputable facts plainly demonstrate that Japanese intervention was responsible for the collapse of General Kuo's reform movement in the Three Eastern Provinces, thereby preventing that territory from coming under full and direct control of the Central Government.

OBSTRUCTING NATIONAL UNIFICATION: THE TSINAN INCIDENT.

After the capture of Nanking in 1927 the National-Revolutionary forces pushed vigorously northward, occupying Pengpu and Hsuchow, along the Tientsin-Pukow Railway. When they were about to enter Shantung, Japan intervened.

On May 27, the Tanaka Government announced Japan's intention to despatch 2,000 troops to Tsingtao "to protect the lives and property

**China Press*, December 20., 1925.

of her nationals in Shantung," and on May 30 a Note containing this declaration was sent to the Chinese Government. These troops were reinforcements of Japanese troops already stationed in Chinese territory.

The Peking Government strongly protested against this unwarranted infringement of China's territorial sovereignty, and on June 1, the National Government at Nanking also lodged a strong protest with Tokyo, pointing out that no reasonable Justification existed for Japan to despatch troops to protect her nationals in China, since the National Government had given repeated assurances guaranteeing their safety; furthermore, that her action was especially unfriendly towards the National-Revolutionary armies, who were then marching on Shantung, and that Japan's interference with China's internal affairs would destroy the goodwill of the Chinese people, who were anxiously endeavouring to accomplish the unification of their country. The National Government concluded its Note with a demand for the immediate withdrawal of the Japanese troops from Shantung, but Japan remained indifferent to these protests.

So far from showing any desire to meet the Chinese protests, the Japanese Government sent a brigade of 4,000 men to Tsingtao as reinforcements, while the troops already stationed at that place were ordered on July 7 to move on to Tsinan. Besides materially assisting the Northern armies by the supply of huge quantities of arms and ammunition, the Japanese troops by their presence greatly obstructed the military operations of the National-Revolutionary armies, causing, for instance, the forces along the Kiaochow-Tsinan Railway, commanded by General Chen Yi-Yen, to be hard pressed. At the same time, a Japanese named Yamanashi was sent by Premier Tanaka as his personal representative to incite the Chinese war-lords at Peking and Shantung to unite against the Northern expedition. Thus Japanese intervention caused the National forces, which had already reached Taianfu, in Shantung, to turn back, thereby retarding the progress of the Chinese National Revolution.

In April, 1928, the National Government renewed its Northern expedition against the war-lords, and after a series of brilliant victories its forces soon reached the vicinity of Tsinan, where again Japan intervened to check their advance.

On April 19, the Japanese Government decided to concentrate at Tsinan three battalions of Japanese troops, already stationed in China.

Accordingly, the 6th Division under Commander Fukata was ordered to Itfavc for Tsingtao. Five hundred Japanese troops arrived at Tsinan on April 21, while a part of Commander Fukata s division, consisting of 600 men, marched towards the same city on the 28th the remainder following next day. The total number of Japanese troops in Tsinan was then more than 3,000 men.

The National armies captured Tsinan on May 1, just one day before the arrival of Commander Fukata. While they carefully avoided having any trouble with the Japanese, the latter resorted to all kinds of provocative action, by war-like preparations, and continued interference with various Chinese affairs. Having prepared a plan for armed intervention the Japanese troops on May 3 provoked an open conflict with the Chinese by opening fire upon them for no reason. Not content with an unjustifiable attack upon the Chinese forces, whose first battalion they succeeded in enveloping, the Japanese commenced a sustained bombardment of the defenceless city, massacring civilians and setting fire to their homes, causing thousands of Chinese casualties. The Japanese further shelled the wireless station and arsenal in the vicinity of the city. General Chiang Kai-Shih, Commander-in-Chief of the Chinese army, sent a representative to negotiate with the Japanese Commanders, and General Huang Fu, then Chinese Foreign Minister, tried every means to re-establish peaceful relations between the hostile forces. The American, German and British Consuls also offered their good offices in mediation, but all these measures to effect a cessation of hostilities were flatly turned down.

The Japanese meanwhile continued their atrocities, which culminated in their raiding the temporary office of the Chinese Foreign Minister, and brutally murdering Mr. Tsai Kung-Shih, Chinese Commissioner of Foreign Affairs in Tsinan, together with his staff, numbering more than ten persons.

At the same time the Tokyo Cabinet decided upon further aggressive measures, which included the despatch of more troops to Shantung, the forcible seizure of the Kiaochow-Tsinan Railway, and the occupation of Tsingtao. After the arrival of the 28th Brigade of Japanese troops on May 6, Commander Fukata sent an ultimatum to General Chiang Kai-Shih, demanding that the Chinese troops stationed at Changchuang and Singchuang be evacuated within 12 hours, and that no Chinese troops be allowed to come within 20 /i of Tsinan and of the territory along

either side of the Kiaochow-Tsinan Railway. Only 12 hours were given as the time-limit for a reply to this ultimatum and in view of the fact that General Chiang had already left Tsinan for Tangchiachang, the time-limit was obviously not sufficient for him to make a proper reply. The Japanese, nevertheless, began the renewed attack upon the native walled city early in the morning of the 8th.

In order to avoid war with the Japanese in the midst of China's struggle for national unification, the Chinese armies were ordered by General Chiang Kai-Shih to withdraw from Tsinan. A part of the army having crossed the Yellow River to push northward by a devious route, the remainder retired southward along the Tientsin-Pukow Railway, but the Japanese troops attacked with machine-guns the Chinese troop-trains on the Tientsin-Pukow Railway, and bombarded the railway-bridge across the Sha River south of Tsinan to prevent any advance northward. While all the Chinese armies were being withdrawn from Tsinan, only one regiment of the 41st Army was left to defend the native walled city, which the Japanese shelled with heavy artillery. After three days of continuous bombardment by the Japanese and heroic resistance on the part of the small Chinese defending force, the Japanese finally captured the city on May 11.

JAPAN'S THIRD INTERFERENCE WITH THE NORTHERN EXPEDITION.

Seriously handicapped by Japanese interference at Tsinan, the National Revolutionary forces were nevertheless able to make a detour, and thus continue their northern drive, but the Japanese Government decided, for the third time, to despatch more troops to China, and the Third Division from Nagoya was ordered to proceed to Tsingtao. They arrived on May 17, and subsequently Japanese warships were sent up the Yangtsze River, and five battalions were despatched to Tientsin.

As the National armies were rapidly advancing towards the ancient capital, the Japanese Government, on May 18, handed to the National and the Peking Governments, through its Consul and Minister respectively, a Memorandum stating that "should the disturbances develop further in the direction of Peking and Tientsin, and the situation become so menacing as to threaten the peace and order of Manchuria, the Japanese Government, on its part, might possibly be constrained to take appropriate and effective steps for preserving peace and order in Manchuria." In reply, both the National and Peking Governments strongly protested against the unjustifiable nature of Japan's threatened action,

declaring that China would never tolerate any Japanese interference with China's internal affairs.

On account of an unexpected turn in the situation, Japan's threatened action failed to materialize. However, with due consideration for the tenor of Japan's policy towards China in the past, it is only reasonable to assume that incidents similar to that at Tsinan might have taken place had not Chang Tso-Lin retreated before the National armies without fighting, and thus refrained from giving Japan a pretext for carrying out fully its plans for intervention.

JAPANESE COMPLICITY IN THE ASSASSINATION OF CHANG TSO-LIN.

On May 19, 1928, the day after Tokyo presented its identical Notes to the National and Peking Governments, Mr. Yoshizawa, Japanese Minister at Peking, presented a third Note to Marshal Chang Tso-Lin, intimating that in the event of civil war extending to the Three Eastern Provinces, Japan would take such effective steps as she deemed necessary to ensure peace therein. He also verbally warned the Marshal not to return to Manchuria. The motive of this Japanese action, of course, was to prevent the National armies pursuing the latter beyond the Wall, as the North-Eastern Provinces would instantly have pledged their allegiance to the National Government in that event.

In order to give concrete form to the verbal warning and to show clearly Japan's determination to prevent Marshal Chang's return, the headquarters of the Kwantung Army were moved to Mukden. By a series of swift movements Muraoka, the Japanese Commander, concentrated on May 22, one division, two brigades, and one battalion of Japanese troops in the provincial capital, and made defence preparations at Chinchow and Shanhaikwan. In spite of the warning, however, Marshal Chang left Peking for Mukden at midnight on June 2, but on June 4, his train was wrecked, high explosives having been laid at a spot between Huangkutun station and the new station at Mukden, at the junction of the South Manchuria and Peking-Mukden Railways. The Marshal was very severely injured, and later succumbed.

There exists little, if any, doubt as to Japanese complicity in this tragic incident. In the first place, the explosion occurred at a spot solely under control of the Japanese, and secondly the perfect timing of the explosion necessarily depended upon the most accurate information regarding the movements of the Marshal's train, and this could only be furnished by those in control of the means of communication, namely,

the Japanese. Furthermore, it is to be noted that the explosion took place at the crossing of the two railways. By agreement the line on the upper level, which is the South Manchuria Railway, was guarded by Japanese, while the lower one, which is Chinese, was patrolled by Chinese guards. A few days before the explosion this crossing was forcibly taken over and heavily guarded by Japanese soldiers, who denied all Chinese guards access even to the Chinese line. Only by special permission from the Japanese military headquarters was anyone allowed to pass. These facts leave no room for doubt as to who was responsible for the death of Marshal Chang.

The Japanese, it will be seen, had a strong motive to desire the elimination of the Marshal from Manchurian and North China politics. Since they found him no longer a willing tool for their schemes, they desired to keep him and his troops within the Great Wall, in order to have a free hand to further their designs against the Three Eastern Provinces. Again by keeping Marshal Chang and his army within the Wall, Japanese Ihterests would be served by delaying the immediate unification of the country, because the National armies would be unable to attain their objective without heavy sacrifices. In any event, the further prolongation of civil strife in China was highly desirable for Japan's purposes. There were other obvious reasons why the Japanese were determined to punish Marshal Chang. Instead of showing gratitude for their help in crushing General Kuo Sung-Lin's revolt, and instead of assisting their anti-Chinese designs, Marshal Chang had refused them many privileges which they desired to acquire. To take only one instance, his completion of the Tahushan-Tungliao Railway, which the Japanese considered detrimental to their interests, in spite of their protests, has shown him to be an obstacle in the way of their ambitions, the attainment of which required his removal.

CHANG HSUEH-LIANG'S ALLEGIANCE TO THE NATIONAL GOVERNMENT.

On the death of Marshal Chang Tso-Lin his son, General Chang Hsueh-Liang, assumed the mantle of paramount war-lord in Manchuria. He was in sympathy with the aim of the National-Revolutionaries to unify the Republic, and on July i, sent a telegram to the National Government pledging his support. On July 10, he sent four representatives to see General Chiang Kai-Shih, who suggested that the Three Eastern Provinces should first hoist the National-Revolutionary flag by way of showing their loyalty. While arrangements to this end were

being made for July 22, the Japanese Consul-General at Mukden was instructed by his Government to "advise" General Ghang Hsueh-Liang against such a step, the advice being couched in terms of a threat. Yielding to this pressure, General Chang was forced to postpone execution of his plan for half a year.

The National Government, having been apprised of this incident, instructed Mr. Wang Yung-Pao, Chinese Minister at Tokyo, on July 21 to lodge a strong protest with the Foreign Office against Japan's interference with China's internal affairs and obstruction of China's efforts at unification. The Japanese Government, however, denied having authorized the Mukden Consul-General's action, whereupon the National Government replied on July 31 demanding that he be immediately instructed to suspend his activities, and be severely censured.

In the light of Japan's official repudiation of her Consul-General's action, General Chang Hsueh-Liang again renewed through his representatives on July 28 his pledge of allegiance to the National Government. Plans for hoisting the new national flag in Manchuria were quickly resumed, but on August 4 the Japanese Government sent Baron Hayashi as a special envoy to Mukden, ostensibly to attend Marshal Chang Tso-Lin's funeral, but actually to convey a threat to General Chang Hsueh-Liang, who was warned that if he acted against Japan's wishes, the Japanese Government would openly take action in the Three Eastern Provinces. Japan also made an alternative offer of assistance to suppress the party in favour of allegiance to the National Government, should he desire this to be done.

JAPAN'S HINT TO ESTABLISH PUPPET MONARCHY.

On August 9 General Chang Hsueh-Liang returned the visit by calling on Baron Hayashi at the Japanese Consulate-General. On this occasion the Japanese Consul-Generai and Brigadier-General Sato were also present, and General Chang again received warning from the Consul-Generai never to fly the national flag. When General Chang replied that the Japanese demand was unreasonable, General Sato said :— "This is not the time to argue what is, or is not, reasonable. Premier Tanaka has already decided that you should not fly the new flag and that is reason enough."

General Sato subsequently wrote to General Chang advising him to follow the "way of the kings," in other words, to arrange for the establishment of a petty kingdom. Such a kingdom as he outlined would

virtually be a protectorate of Japan. Similar letters were received by General Chang from numerous other Japanese, obviously under Government encouragement, the suggestions in every case being coupled with threats in one form or another. Japan exhausted every possible endeavour to induce General Chang to assume the role that Pu Yi plays to-day. The result of this combined pressure was that General Chang was compelled further to postpone the hoisting of the new flag in the Three Eastern Provinces in order to avoid grave complications.

Realizing that General Chang's determination to declare his allegiance to the National Government could not be thwarted, Japan made a final attempt to eliminate his influence in the Three Eastern Provinces altogether, and set about putting General Chang Chung-Chang in his place. In a battle at Changli General Chang Chung-Chang won a minor victory, and immediately declared his intention to march against Mukden to eliminate the "evil advisers" of General Chang Hsueh-Liang, meaning the supporters of the National Government. General Chang Chung-Chang however, was doomed to disappointment, by reason of solid popular backing for the amalgamation of extra-mural and intra-mural China; and, much to Japan's chagrin, the National Flag was hoisted in triumph simultaneously all over the Three Eastern Provinces by the end of 1928.

THE SO-CALLED "INDEPENDENCE MOVEMENT".

The fourth and final phase of Japan's policy of effecting the disintegration of China revealed itself in her actions in Manchuria and Jehol after the occupation of those territories by her troops. How Japan was directly instrumental in engineering an alleged "independence movement", how she set up the bogus regime of "Manchukuo", and how utterly absurd was the Japanese claim that by her action she was merely "liberating" an "enslaved" people, has been made known to the world by the Report of the League Commission of Enquiry.

The Japanese plan for the annexation of China's North-Eastern territory may be considered, for the present, to be practically complete. The sponsoring of an "independence movement" in that region, to cloak Japan's illegal activities against China, has been realized. The hypocritical pose of being one of the pillars of international law in the Far East has been maintained; and although her manoeuvres have deceived nobody, least of all the Lytton Commission, the Japanese conscience has been salved by generous use of such phrases as "racial consciousness",

"self-determination of peoples" and other shibboleths with which she seeks to justify her lawlessness in Manchuria. But lip-service to these high-sounding principles has been grossly contradicted by Japan's consolidation of her conquests everywhere, while recent pronouncements by high officials of Japan's determination to make the Chinese Provinces part of the Japanese Empire has given the lie to the professed altruism of their motives.

FRANK JAPANESE PRONOUNCEMENTS.

General Minami, former Minister of War, who is an advocate of the "positive policy" towards China, and who as former Commander of the Japanese forces in the Kwantung Leased Territory, is generally considered an "expert" on Chinese affairs, delivered in July, 1931, (when still at the War Office) an address emphasizing the gravity of the Manchurian situation. After he had left the War Office he went to the Three Eastern Provinces on a tour of inspection, subsequently giving out the significant statement on December 20, 1931, that: "The question that remains is one of political control. . . . .Any Government set up which does not have the confidence of Japan cannot stand for one day."

The actions of General Honjo, the moving spirit in Manchuria, speak even louder than words. At the beginning of the 1931 conflict he was Commander of the Japanese "Kwantung Garrison Army" with headquarters at Port Arthur, and has had twenty-five years of military experience on Chinese soil. For eight years he was Military Adviser to Marshal Chang Tso-Lin, and latterly Commander-in-Chief of the Japanese forces in the Three Eastern Provinces. From his headquarters in the Japanese section of Mukden he made all plans and gave all orders for the setting-up of the various "independence" organizations throughout the Provinces, even directing parades and demonstrations of Japanese hirelings to create "popular manifestations of support" for the so-called "independence" movement.

Colonel Doihara, the last of the military triumvirate directing Japanese activities in connection with the sham separatist movement, was stationed in Mukden at the beginning of the Sino-Japanese troubles, as "Chief of the Military Liaison Office in Mukden," in other words, as military observer in South Manchuria. For a short time he was Acting Mayor of the occupied Chinese city of Mukden, and it was he who kidnapped Pu Yi from Tientsin and took him to Dairen. Like Minami

and Honjo, Doihara has had a long career in China, having travelled extensively, and speaking Chinese with great fluency.

"The independence of Manchuria and Mongolia," he said on assuming office at Harbin as head of the Special Affairs Department, "is inevitable, for it is the decided policy of the Japanese Imperial Government. Whatever the League of Nations, Chiang Kai-Shih, or Chang Hsueh-Liang might say cannot alter matters."

The late Premier, Mr. Inukai, expressed the same sentiments when he declared in the House of Peers on March 24, 1932, "when the new Manchurian Government is organized, naturally it should be recognized by Japan," while General Araki, the War Minister, came up to his usual form of sabre-rattling with the arrogant dictum:—"If in the future anybody should disturb the peace of Manchuria, the Ministry of War will adopt adequate measures of protection."

The views of unofficial intellectuals in Japan have been expressed by *Dr.* M. Royama, a Professor in the Imperial University of Tokyo, who has always sponsored the starting of an "independence" movement in the Three Eastern Provinces to be followed by Japanese annexation. As early as January 21, 1931, he expressed himself in the following terms—"Manchuria is a colony of China, and so it is of Japan. Apart from the propriety of setting up an independent State therein, such enterprises might be feasible in case some Power lends a hand in protecting and guiding it. The question who is the sovereign head is only a matter of detail."

Mr. Teihiro Kawamura, Managing Director of the Mitsui Bussan Kaisha, in December, 1931, made a special trip through Manchuria and Mongolia to investigate economic possibilities after Japanese occupation, it being well-known that the powerful house of Mitsui, which dominates the South Manchuria Railway, has other immense interests in the Provinces. Through its close alliance with the Japanese Kwantung Army and the military clique which dominates the Japanese Government, the Mitsui firm hopes to make the Provinces a storehouse for its extensive economic interests. The tours of Japan's business magnates in the occupied territory, therefore, possess special significance as regards Japan's designs ultimately to annex it.

The desirability of engineering an "independence" movement as a necessary prelude to annexation is a sentiment to be found among practically all classes of Japanese. The Chief Secretary of the Japanese

People's Diplomatic Association, Nakano Koetsu, in the preface to his book on the Manchurian question, said "Japan has destroyed Manchuria and Mongolia through military means, but the Japanese so far have not derived any benefits therefrom. According to the general opinion of the Japanese, therefore, the work of reconstruction under Japanese guidance must be expedited." The High Adviser of the Mukden Self-Government Association, Shonosuke, also contributed a foreword to the work in which he expressed himself in the following terms: "That the whole incident was created by Japan is undeniable. But from the Japanese point of view, it is not simply meant to offer protection to the rights already acquired in Manchuria and Mongolia. Such a view is superficial and unsatisfactory. To be very frank, it is *our aim to establish a new Manchuria-Mongolia State,* That is our fundamental object."

It was Japan's original intention, immediately after the military occupation of the Three Eastern Provinces, to establish a military Government. That idea received strong support from Honjo and Doihara and was submitted for consideration to the Japanese Government, which, however, doubted its feasibility, being apprehensive that open annexation might bring the wrath of an outraged world upon Japan. Finally it was decided to adopt the less direct course.

THE CREATION OF THE PUPPET REGIME.

The creation of "Manchukuo," as all the world knows since the publication of the Lytton Report, was the work of Japanese militarists and their civilian *aides,* with the assistance of such Chinese as could be bribed or intimidated into taking Japanese orders, and a few notorious but unimportant individuals of other nationalities or groups. When the Japanese made their unprovoked and well-prepared attack on Mukden and various other points along the South Manchuria Railway line on September 18, 1931, they destroyed such authority as existed, especially at the great political centre of Mukden, and set up their own. As they extended their occupation further they repeated the process, except that where they were able to buy over a General controlling a considerable area, such as the renegade Hsi Hsia in southern Kirin, matters were simplified by retaining such of the old administrative staffs as were prepared to remain in their places, but appointing Japanese "advisers" to control administration and policy.

In Mukden the notorious Colonel Doihara was installed as "Mayor," with an "Emergency Committee" composed mostly of Japanese which functioned for a month until the Japanese were able to find sufficient Chinese to form an administration under Japanese "guidance." Here, as in the provincial administration also, Japanese adventurers were put in as "advisers," with greater power than the Chinese administrators, but requiring the approval of the Japanese military for all actions. In the country districts Japanese gendarmes controlled the tax-offices.

The central, organizing influence in this medley of Japanese militarists, Japanese, Chinese, and international adventurers and criminals, and Chinese renegades or helpless prisoners, was the "Self-Government Guiding Board," an organ of the Fourth Kwantung Army Headquarters. This "Guiding Board," organized and largely officered by Japanese, with a Chinese figurehead, created and fostered the "independence" movement, which was previously unheard-of. While other branches of the Japanese Army engaged in the actual conquest of Chinese territory and subjugation of the population, this branch directed and supervised the local "Self-Government Executive Committees" in Fengtien Province, sent out Japanese and renegade Chinese as inspectors, organizers, and lecturers to various districts, established a newspaper, and on January 7, 1932 issued a public proclamation declaring that the North-East had to develop at once "a great popular movement for the establishment of a new independent State in Manchuria and Mongolia."

This branch of the Japanese Army, therefore, proceeded in its methodical way to organize the "great popular movement" in question, and six weeks later, on March 1, the "new independent State" was declared to exist. Supporting it was the Japanese Army which had occupied much of the territory of the North-Eastern provinces, associated with which was the South Manchuria Railway, in practical control of railway communications, and the Japanese Consular officials as "liaison agents"—as the Lytton Report puts it. Japanese officials and "advisers" dominated the "State" itself, but there were a great number of Chinese employees of various grades, from An-Nyi, the refuse remover, all the way down to Pu Yi, the "Regent."

The "Declaration of Independence" and secession from the National Government and the Kuo-Min Tang was issued on February 18, and the following day it was decided to call the new regime a "Republic," but with the strange anomaly of a "Regent" as "Chief Executive." Time

need not be wasted in pondering over this strange phenomenon of a "Regent" ruling a "Republic," as Pu Yi was no more a Chief Executive than "Manchukuo" was a republic. The Self-Government Guiding Board continued in control, and now turned to the task of organizing "popular support" for the new State, using the "Self-Government Executive Committees" as nuclei for the formation of new societies, devoted to "Acceleration of the Foundation of the New State."

Ten days of intensive work and a meeting was held at Mukden, largely of provincial district officers, which passed a declaration expressing the suddenly accelerated "joy" of the sixteen millions of Fengtien province at the "dawn of a new era." In Kirin province "popular support" was similarly organized, and "joy" similarly accelerated and expressed. In Heilungkiang also an "acceleration movement" was organized, and the requisite "joy" manifested in the usual way. On February 29 the Self-Government Guiding Board convened an "All-Manchuria Convention" at Mukden, which obediently denounced the old regime, welcomed the new "State," designated Pu Yi as provisional head, and sent six delegates to Port Arthur, (where Pu Yi had been kept following his removal from Tientsin by Colonel Doihara a few months previously) to bring the young man up to Changchun, where on March 8 he began, says the Lytton Report, "to receive homage as the Regent of 'Manchukuo'," though why and from whom he received homage is not altogether clear. On March 9, Pu Yi was "formally inaugurated," the next day the principal members of the ostensible "Government" (mostly Chinese) were appointed, and on March 12 a telegram was issued to foreign Powers announcing the establishment of "Manchukuo," declaring the ostensible purpose of its formation and the ostensible nature of its foreign policy, and requesting recognition. No foreign Government, of course, took the request seriously.

ORGANIZATION OF THE PUPPET GOVERNMENT.

The structure of the "Republic" was based in large measure on that of the Japanese Government, the "Regent" possessing, as head of the "State," all executive power, including that of declaring war, making peace, concluding treaties, holding supreme command of the Army and Navy, ordering amnesty, pardon, etc., and standing wholly above the "Legislative Council." More particularly, of course, his powers included that of petitioning his Imperial confrere to take the cares of State off his shoulders and "assume sovereignty" over his country. He was

assisted, furthermore, by a Privy Council, though real control was in the hands of the Japanese feudal military clique—which also controls the Japanese Army and State. The child, in fact, showed a most amazing likeness to its parent.

There were, indeed, some "Departments of Governments—the Executive, Legislative, Judicial, and Supervisory. The Executive was supposed to be operated, under the "Regent's" direction, by the Premier and Ministers of State, these together forming the Cabinet or State Council. The "Legislative Council" was a pure fiction, laws being in fact drafted by the State Council and approved by the Privy Council "Regent." The Judicial and Supervisory Departments were evidently based upon the Chinese model.

All these bodies, however, were under the control of the various Boards of General Affairs, headed by Japanese. These were at first termed advisers, but later the more important were made full Government officials—two hundfed in the Central Government and several hundred more in local Government bodies, in the War Office, "Manchukuo" military forces, Government enterprises, etc. Some of the most important of the "Regent's" officials were Japanese, such as the Commander of his bodyguard, the Chief of the Office of Internal Affairs, etc. The Premier's supervision and control of the Ministries was through the predominantly Japanese Board of General Affairs, and the Japanese also controlled the General Affairs Department in the Ministries. The Foreign Minister, Hsieh Chieh-Shih, was himself a Japanese subject (Formosan) of Chinese origin.

By far the most important body, which virtually pulls all the strings controlling the entire puppet show, is the Board of General Affairs. "This Board," says Edgar Snow (writing in the *Saturday Evening Post* on "How Manchuria is being Converted into a Japanese Colony"), gathers under it most of the real substance of legislative, administrative and executive power. . . . The work of this Board, which is staffed with more than ioo Japanese, is distributed among Bureaux, including the following:—Supply, Finance, Personnel, Secretariat and Information. The Supply Bureau controls Government construction programmes, repairs and kindred matters. The Finance Bureau manages national funds and resources, drafts and regulates the national Budget, settles accounts, grants special appropriations. The Personnel Bureau is a Government employment agency of vast powers; it rewards, punishes, demotes, appoints,

dismisses, disciplines, and fixes salaries for all officials, presumably from the Prime Minister down. It elects representatives to the Legislative Council, since there are, of course, no legalized political parties and the people have no vote.

"As for the Secretariat, it proclaims national laws, mandates and military orders. It also concerns itself with the execution of 'confidential matters' of the State Council, and it has custody of all official seals, communications, Government publications, archives and accounts. The Information Bureau appears to be developing into an indigenous secret service.

"In addition to its wide general supervisory powers, the General Affairs Board further integrates its control through General Affairs Bureaux which exist in every Ministry and Council. Like the Board, these subordinate Bureaux are staffed by Japanese, either bureaucrats whose careers are linked with the army, or officers in active service. Each Bureau has, within its Ministry or Council, plenary powers of administration similar to those of the General Affairs Board over the State Council. Through such Bureaux the Board manifestly commands the entire Government—under Japanese Army direction.

"For it is from the Japanese Embassy at 'Hsinking,' a yellow building of brick, fortlike in architecture, and the adjoining new Japanese Army headquarters, completion of which oddly coincided with historic beginnings of conflict in Manchuria, that . . . Japanese officials take their orders/'

UBIQUITOUS JAPANESE CONTROL.

Japanese control of important economic and financial bodies, formerly closely associated with the Fengtien Government, had already been established. Immediately after the Japanese military occupation of Mukden, that great economic and political centre of the North-Eastern provinces, Japanese guards were put over all Chinese banking, railway, public utility, mining, and other important concerns, and when these were re-opened, having been calmly appropriated by the Japanese and their new political regime, they were usually administered by Japanese classified as advisers, experts, secretaries, etc. The Chinese-owned railways were seized by the Japanese military and co-ordinated with the South Manchuria Railway, the Japanese openly assuming "entire responsibility for the administration of the railways."

Illustrative of the situation in Mukden and the position of the Chinese puppets, the fact may be cited that there were three Japanese advisers to the Chinese Civil Governor, six Japanese Advisers to the Chinese Commissioner of Finance, four Japanese Advisers and twelve Japanese "Counsellors" to the Chinese "Minister of Communications," one Japanese Adviser and nine Japanese Counsellors to the Chinese President of the Government bank, two Japanese Advisers to the Chinese President of the High Court, and one Japanese Chief Supervisor and eleven Japanese Advisers to the Chinese manager of the Mukden-Hailung Railway.

The main change involved in political organization by the "Declaration of Independence" was that the "Self-Government Guiding Board," the Japanese creator of "Manchukuo," became the "Advisory Bureau," which together with the Japanese-controlled Board of General Affairs and the Japanese-controlled Legislative Bureau constituted in practice the "Premier's Office," the executive power. And at the inaugural appearance of the "Regent" at Changchun, defended by a ring of Japanese bayonets about the city—now the military headquarters of the Japanese Army in Manchuria—on one side of Pu Yi stood the Commander of this Army, General Honjo, and on the other the President of the South Manchuria Railway, Count Uchida.

In the meantime, the Salt Gabelle in Manchuria was turned over by the Japanese military (who had taken over control of it immediately after the beginning of the invasion in September, 1931) to the "Salt Comptroller of Manchukuo," in March and April, 1932. The Chinese Maritime Customs in Manchuria were seized by the Japanese, on behalf of "Manchukuo," in June. The Chinese Customs House at Dairen, in Japanese leased territory and under Japanese protection, was seized by "Manchukuo" at this time, the Dairen authorities not interfering with this robbery of Chinese property in their territory. ("Manchukuo" declared that in connection with the foreign obligations secured upon the Customs revenue, the new regime was prepared to pay its proper proportion of the annual sums required for payments on these obligation—about one-seventh of the total. This, however, was merely a "Japanese promise," in the same category as their pledges to withdraw their troops, and no payments have ever been made).

In the meantime the Japanese Governments South Manchuria Railway had taken over from "Manchukuo" full control of all the Manchurian railways previously owned and operated by the Chinese authorities in

Manchuria, thus increasing the mileage of the S.M.R. from 650 to 2,816, and giving Japan direct and complete control of most of the railway communication of Manchuria. This was on March 1. Twenty-five days later the new " 'Manchukuo'-Japanese Joint Stock Company," controlled jointly by the Tokyo Government and its Changchun regime, took over all electrical communication facilities in Manchuria.

The Central Bank of "Manchukuo" was established by the Japanese and their Chinese associates on July 1, 1932, with funds from the old provincial banks which the Japanese had seized, and a Japanese loan of Yen 20,000,000. The postal service of Manchuria was taken over by the "Manchukuo Government" on July 26. The Opium Monopoly was later established, and with the long experience of the Japanese as traffickers in drugs was soon made a most profitable business. The new "saviours" who had established the Opium Monopoly also, of course, took over the schools, where they introduced the teaching of Japanese into primary schools, and made this teaching compulsory in middle schools.

In August and September an interesting administrative change took place. Instead of the Japanese "Advisory Bureau" and the Japanese military command being the highest authority in "Manchukuo," a single Dictator was appointed, direct from Tokyo. General Muto was made "Ambassador Extraordinary and Plenipotentiary" (thereby having authority over the Japanese Consular officials in Manchuria), Commander-in-Chief of the Kwantung Army (the military forces which had created the new regime and upon which the latter was wholly dependent), and Governor-General of the Kwantung leased territory. His appointment was announced at Tokyo on August 8; he arrived at Mukden and Changchun (with fighting going on in the streets of both cities) near the end of the month, and on September 15 signed at Changchun the Protocol by which Japan recognized its child, the "independent Government of 'Manchukuo,'" and declared that "Japan and 'Manchukuo/ recognizing that any threat to the territory or the peace and order of either of the High Contracting Parties constitutes at the same time a threat to the safety and existence of the other, agree to co-operate in the maintenance of their national security; it being understood that such Japanese forces as may be necessary for this purpose shall be stationed in 'Manchukuo.'"

The document was in the Japanese and Chinese languages, the Japanese version being the official one. It was signed at the "Regent's"

home, and so history was made. But all the farcical make-believe of an "independent Manchukuo" proved utterly futile. Diplomatically, Japan was unsuccessful in trying to prevent the wholesale condemnation by the League of Nations of her aggression in China's Manchurian provinces. With the Lytton Report before it the League could not fail to see that "Manchukuo" was a puppet regime pure and simple, which the nations of the world could not recognize under any circumstances. Japan's consequent loss of "face" was such that she indignantly withdrew from the League on March 27, 1933.

By Article 1 of the Japan-"Manchukuo" Protocol it was agreed that "Manchukuo shall confirm and respect, in so far as no Agreement to the contrary shall be made between Japan and Manchukuo in the future, all rights and interests *possessed by* Japan or her subjects within the territory of Manchukuo by virtue of Sino-Japanese Treaties, Agreements or other arrangements or of Sino-Japanese contracts, private as well as public." In accordance with her habitual attitude, Japan, of course, constitutes herself the sole judge of any question as to what rights are possessed by her. Should there ever occur the unlikely event of any question being raised as to whether a right be merely "claimed" or "possessed," it is obvious that, as sole arbiter, Japan will exercise her discretion to give herself the benefit of the doubt!

This explains the complacency of General Araki, then Minister of War, when he reviewed the Manchurian situation to the Emperor of Japan early in August, 1933, and expressed the view that the question of the "parallel" railway line "had been solved automatically consequent upon the establishment of 'Manchukuo' as a new State"; that "the question of land concessions . . . had also been settled;" that "Japan's special rights and interests" had been confirmed; and these rights expanded. Among the various matters which the worthy General specifically declared were "firmly guaranteed" to Japan under the Protocol, were the following:—the right of stationing railway guards; the maintenance of peace and order; the right of conducting the business of the Kirin-Changchun Railway in trust (which is, like numbers of other instances, legalization of barefaced robbery); the non-construction of "parallel" lines to the South Manchuria Railway; the completion of the Kirin-Hueining line; various claims to mining rights mentioned in the Twenty-One Demands; preferential rights for granting loans on forestry and mining in Kirin and Heilungkiang Provinces (a flagrant violation of the

much-advertised "Open Door" policy of the puppet regime); the right of conducting agricultural enterprises and industries, of residence, travelling, and trading, and, most important of all, "land concessions in South Manchukuo;" administrative rights over the Kwantung Leased Territory (both parties having chosen conveniently to ignore the fundamental rule of law, *nemo dot quod non habet*—that is, "no one can give what he does not possess"—unless the puppet Government has arrogated to itself China's sovereignty over the leased territory); administrative rights over the "zone" of the South Manchuria Railway; administrative and police authority over the "zone" of the Antung-Mukden Railway (previous exercise of which rested on no Treaty); Consular police authority (another illegality); employment and dismissal of Japanese officials in "Manchukuo;" pledges from "Manchukuo" not to concede ports, gulfs, and islands to other countries; etc. Japan working through her puppet has thus legalized all her former illegal activities in this territory.

In connection with land concessions, the so-called "Manchukuo Government" on June 14, 1933, promulgated a "Provisional Land Concession Right Registration Law," providing for granting nationals of "other countries having intimate relations with 'Manchukuo'" the right of leasing land throughout the length and breadth of "its" territory. Needless to say the privilege is reserved entirely for Japanese!

By a number of special agreements the puppet authorities have signed away practically the entirety"of their powers and resources to the Japanese army, as witness the following item from the *Manchuria Daily News*, the official Japanese organ:—

> "To dissipate misunderstanding held in some quarters that all enterprises in 'Manchukuo' are under the strict control of the Kwantung Army, the Army has been advised to clarify the facts. . . .
>
> "To be particular, those under Army control comprise banks, posts, railways, telegraphs and telephones, wireless, aviation, slaughterhouses, lotteries, horse-racing, live-stock markets, forests, gold, iron, coal, petroleum deposits, etc."

"MANCHUKUO": A VASSAL STATE AND "EMPIRE."

With the appointment of General Muto as virtual dictator of all Manchuria, the new Japanese regime gained greater consolidation than it had previously. General Muto died on July 27, 1933, at Changchun, and General Takashi Hishikari, member of Japan's Supreme War Council and former Commander-in-Chief of the Formosan and Kwantung

Armies, was appointed in his place. In the meantime, "Manchukuo" had appointed a "Minister" to Japan, this exchange of a Minister for an Ambassador showing frankly the relations between Japan and "Manchukuo" to be those between an Empire and its dependency or vassal State, and quite dropping any pretence of the two being "equal allies," as had previously been claimed by some Japanese propagandists.

There has been no further change of importance in Japan's method of exercising authority in the occupied provinces. The Japanese military dictator, with the various Japanese officials, Japanese advisers, and Japanese-controlled Bureaux and Boards of "Manchukuo"—all under the Dictator's direction—wields practically unlimited power. The outward form of "Manchukuo," however, has been altered somewhat by the Japanese deciding, on March i, 1934 to make their "Regent" an "Emperor." Their reason for this step was made clear in a charmingly frank statement from the Japanese Legation in Peiping on January 15—before any official declaration was made from Changchun. The Legation spokesman, confirming "the intention to create Mr. "Henry" Pu Yi, Chief Executive of 'Manchukuo," Emperor of the State," explained that it had been postponed for the last couple of years simply because "Japan was anxious to see the political situation of the country stabilized before anything else, and had, therefore, discouraged the movement on the ground that it was premature." Now, however, Japan had decided the time had come to make the "Chief Executive" an "Emperor," the purpose being that "of giving clear proof of the independence of 'Manchukuo.'"

Pu Yi has been through the prescribed ceremony, and the name of the occupied territory over which General Hishikari execises his military dictatorship has been changed from "Manchukuo" to "Manchutikuo." So far there has been no sudden rush of foreign nations, however, to announce their recognition of the "new" regime—with the solitary exception of an obscure South American country by the name of El Salvador, from which, reports the Shanghai *Shun Pao* of December 4, 1934, the total purchases by the puppet State since its formal recognition by El Salvador, amounted exactly to 13 bags of coffee, value at $1,300 (silver), or approximately U.S.A. $400. Even the later "proof of independence" may be insufficient for the sceptical statesmen of the West. So far it has failed, in spite of the intensive propaganda of certain British and other friends of monarchy and counter-revolution in China, to alter the international diplomatic boycott of the puppet regime

established by the Japanese military in China's North-Eastern provinces.

The way is as open as ever, however, to direct Japanese annexation of the territory. When Japan a quarter of a century ago decided on the annexation of Korea, and had reached understandings with certain other Powers in connection with this step, she simply compelled the Korean Emperor to petition for annexation. So in Manchuria also. When the Japanese feel the time has come to make Pu Yi—whom they have successively made a prisoner, a "Chief Executive *ad interim"* and an "Emperor"—once more an "ex-Emperor," they will simply have him petition the Emperor of Japan to annex "his" territory. And the Japanese Empire will graciously consent to his request.

CHAPTER VIII.

POPULAR OPPOSITION TO THE PUPPET RfiGIME.

A STRIKING commentary on the lawlessness which now prevails in Japan's newly-created "Paradise on earth" (as it was described in the early stages of Japanese occupation) as the result of the imposition of alien rule is afforded by the fact that out of the 1934 budget of M.Y. 149,000,000, almost one-third of that figure—M.Y. 42,000,000, to be precise—has to be earmarked for purposes of "defence"—in other words, "bandit" suppression. The amount of peace which Japanese militarism has brought to Manchuria is obvious from the fact that the expenditure upon preserving security" is—more than two years after the Mukden incident—exactly forty-two times the amount devoted to education!

The epic struggle of General Ma Chan-Shan, hero of the famous Nonni River battle, in Heilungkiang Province; of Generals Li Tu and Ting Chao in Kirin; and of General Su Ping-Wen, who for the best part of a year led the patriotic Chinese volunteer armies against the invaders are too well-known to need re-telling. Inspired by the gallant and long-continued resistance of the 19th Route Army in Shanghai, they stoutly carried on a similar struggle against the better trained and equipped Japanese forces, which often put the latter on the defensive and compelled them to send for reinforcements, while they held little of Manchurian territory beyond the zones of the railways. An episode that rankles particularly in the minds of the Japanese military against the gallant Governor of Heilungkiang is his outwitting of them by pretended submission and feigned co-operation in the Japanese-engineered "independence movement," until such time as he had obtained fresh funds, supplies, artillery, and rest for his troops, whereupon he sent out a long circular telegram to the National Government and the League of Nations, exposing the Japanese machinations, and took to the hills again to continue his patriotic struggle.

It was, however, a losing game, this desperate combat of flesh against aerial bombardment and high-explosive shell, and the defenders were

finally driven into Soviet territory at the close of 1933. This was the end of the larger of the regular Chinese military units opposing the Japanese in Manchuria. Thereafter it was the smaller, less-organized bands, with which the invaders had to contend, and which they are still vainly endeavouring to suppress, even to this day. The number of these Chinese patriots, whom the Japanese have libelled and labelled as "bandits," *is* officially estimated in May 1934 to be no less than between 40,000 and 50,000, of whom "about 15,000 constitute big bands infesting the north-eastern district of Kirin Province." That number is, doubtless, a very conservative estimate—if one may judge in the light of the Budget appropriation of M.Y. 42,200,000 for "defence."

BANDITRY IN "MANCHUKUO" TODAY.

"Banditry," says Mr. Edgar Snow in his article, already quoted, on "How Manchuria is being Converted into a Japanese Colony", "continues to engage the attention of some *d\c* divisions of Japanese troops, and more than 100 airplanes. Patrol-cars and 'pill-boxes' along railways are grim reminders of the still frequent attacks on trains and settlements. But Japanese point out that existing 'banditry' is about normal in comparison with years in the past. They think it noteworthy that the rebels—who are called 'political bandits'—have nearly all been liquidated.

"It is true that organized insurrection has virtually collapsed since the withdrawal of Chinese support for the volunteers following the Tangku armistice. Bandits who now thrive are largely professionals, the *hunghutze,* or Red Beards, long an institution in this wildest of Asia's frontiers. Estimates of their numbers vary greatly; probably the figure of 60,000, at which they are placed by the Japanese command, is a minimum. Certainly they have been substantially reduced from the 300,000 anti-Japanese irregulars since the expulsion of Ma Chan-Shan and other 'rebel' leaders.

"General Hishikari regards the present lawlessness as largely an economic problem. . . . Less sanguine pictures of the situation were painted by such Chinese as dared talk freely to me, and by foreigners resident here. They tell tales of secret terror societies which almost daily assassinate Japanese officials and residents, even within the railway zones. They tell also of daily executions by Japanese of scores of Chinese, without trial, as suspected leaders of rebellion, as Reds, and simply as anti-Japanese. As for common bandits, they think it will take the Japanese years to rid the country of them."

"MANCHUKUO"—LAND OF CHAOS.

The above is no understatement of the extraordinary conditions obtaining in "Manchukuo" today, where Chinese, Japanese, and other foreigners literally hold their lives in their hands, where "hold-ups, robberies, murders, and kidnappings are common occurrences." Japan claims that her "Manchukuo" puppet is a regular political regime, but even in the cities crime is rampant; convicted criminals and adventurers of alien races hold authoritative police positions; trade languishes on account of the general insecurity; every man is left to protect himself, as best he can, except the privileged few with their own private guards; while along the railways no train is safe—conditions such as have never existed previously.

The so-called "Manchukuo Government" is totally unable to exercise any effective control over the greater part of the territory which it declares to be its ownr The disorganization is indeed so complete that it is incredible that any nation but Japan can regard the puppet regime as fit to become a member of the Family of Nations while at the same time casting the libel on China that the Republic is a "disorganized State." The corruption existing in the late Saito Government—described by Japanese themselves as "the most corrupt in Japan, and probably in the whole world to-day"—involving Cabinet Ministers in charges of graft, etc., and the dual diplomacy of Japan, whose policy is so at sixes and sevens that its Foreign Office and War Office can make different statements the same day, that the Foreign Minister can give a solemn pledge which the next moment is flagrantly broken by its military leaders, that a "Foreign Office spokesman" could (as in the case of the "Amau Statement" of April 17, 1934) make a pronouncement receiving the support of the Cabinet and the War Minister, to be subsequently disavowed by the Foreign Minister as "officially non-existent"—all these facts show Japan's urgent need to reform herself first before undertaking to "reform" China's Three Eastern Provinces. The reign of terror and violence in the regions which "Manchukuo" claims as its own is exemplified by constant incidents which do not show any signs of decreasing, in spite of the ruthless measures taken by the Japanese forces upon whom rests responsibility for the maintenance of such authority as exists. To take a few items from official "Manchukuo" and Japanese sources, one may note that the Provincial Police Board at Mukden reported no less than

764 bandit attacks in Fengtien province during September, 1933, that almost daily there are clashes between Japanese or "Manchukuo" forces and guerilla or bandit bands, numbering hundreds or even thousands, pitched battles in which many persons are killed. Scores of villages and towns have been attacked and plundered by bandits month after month, with hundreds of farmers or townsmen murdered or kidnapped. Official Japanese-"Manchukuo" statistics concerning "banditry" for September 1934—one year later—according to a *Tass* message, mentioned that 38,000 "bandits" under 1,009 leaders made 1,706 attacks in that single month, while the London *Times* on August 24,1934 published the following cable:—

> "The oft-repeated platitude, 'now that peace and order have been restored,' which prefaces many of the pronouncements concerning 'Manchukuo,' is afforded little confirmation in the list of outrages by bandits in a single day's news. On Saturday thirty-three out of thirty-six Korean settlers in a village seventeen miles northwest of Chaohotze were slaughtered by bandits near the north mausoleum in Mukden; on Wednesday three Japanese workmen were killed by bandits on the Kirin-Tumen railway; on Tuesday an armoured train running between Hsiaochiu and Mifeng stations, on the eastern section of the Chinese Eastern Railway, was attacked by bandits after the locomotive and four cars had been derailed."

As the lurid list of attacks and disorder just quoted refers to the trunk system, the conditions in the interior districts may be imagined.

To take a few other typical recent instances. A Tientsin report dated March 5, 1934, announced that the ascension of Pu Yi as "Emperor of Manchukuo" led to a recrudescence of opposition from loyalist volunteers, who resumed their activities near Chinchow and other cities, causing martial law to be declared, Japanese aeroplanes to conduct daily reconnaissance over the volunteer units, and reinforcements to be rushed to the various cities thus threatened. On May 2, after the lifting of a ban enforced since the beginning of March, the semi-official Japanese news agency, *Rengo,* disclosed the arrest of thirteen Chinese in Harbin, Mukden, Changchun, and Dairen, who were alleged to have been found in possession of a large quantity of explosives, and had planned to bomb various public buildings in the cities mentioned on the occasion of the "coronation." On March 11 *Renter* reported from Tokyo that, among others, Colonel Iizuiki and over ten other senior officers of a Japanese infantry column operating against the so-called "bandits" were "missing as

a result of a revolt" in the vicinity of Sanhsing, about 150 miles northwest of Harbin. It is obvious that this was one of scores of similar incidents which have occurred since September, 1931, being either an encounter with loyalist Chinese volunteers, or a mutiny of "Manchukuo" troops with Chinese leanings. Details were, of course, rigorously suppressed by the Tokyo War Office. On March 12, burnt bridges, torn-up tracks, and destroyed telegraph-wires 20 miles west of Pogranitchnaya caused a serious disruption of traffic, a train wreck being just avoided by the discovery of the sabotage by a Japanese armoured train on patrol duty. An official announcement by the Kwantung Army Headquarters stated that on March 19 Captain Kitagawa was killed and over 10 officers and other ranks wounded in a serious engagement with about 1,300 "bandits" near Han. On April 1, a C.E.R. freighter was wrecked 30 miles west of Muling; and when a train containing a Russian breakdown gang, protected by 80 "Manchukuo" soldiers, was despatched on April 19 to remove the debris, they were attacked and driven off with machine-gun and rifle-fire by about 500 bandits. But the best evidence of the state of affairs in "Manchukuo" is the report by Manager Rudy of the operations of the C.E.R. during 1933, wherein are mentioned 11 intentional train wrecks, 38 armed raids on trains, 39 train-wrecking attempts, 19 cases of arson, 197 assaults on railway employees and cases of robbery, 60 murders of employees, 99 employees wounded, and 404 persons kidnapped! A striking commentary on the law and order and security Japan brings to this Chinese territory!

GUERILLA WARFARE.

Characteristic of the inefficiency of the "Manchukuo" regime is the fact that even its own Japanese creators possess neither safety nor security. Japanese officials, "advisers," instructors, etc., as well as the ordinary drug-peddlers, spies, pimps, and traffickers in women, carry their lives in their hands in their new "paradise." Scores have been killed, scores kidnapped, and scores injured, not to speak of the casualties among regular soldiers in the battles with guerilla or bandit gangs. The armed Japanese immigrants which the Tokyo Government has subsidized and sent to Manchuria during the last two years are returning, by scores and hundreds, to their native land, bitterly disappointed at their unsuccessful attempts to establish themselves, even backed by Japanese bayonets, in an alien and hostile land.

Very recently the palace of the puppet "Emperor" in his so-called capital was set on fire, and one of the biggest Japanese aerodromes just outside the so-called capital was, at the second attempt, burned to the ground in April 1934 at a loss of many millions of yen.

It is apparent that this is guerilla warfare on a widespread scale. A convenient name of spreading opprobrium is "banditry," and doubtless there is lawlessness in Manchuria with only such private motivation. But as regards the burning of palaces and aerodromes, the wrecking of railways and the attacks on troops and troop trains, they are, in the words of Minister Quo Tai-Chi at the 15th Assembly of the League of Nations on September 14, 1934, "a movement of protest and resistance by a downtrodden population against enormous illegal military oppression, in line with the tradition of great causes that never conceive themselves hopeless, and keep up sporadic warfare until the opportunity shall arise for final deliverance." Manchuria today still presents in essentials the same picture as it did when the occupation first started: namely, of a Japanese army on active service holding the main cities and the railway lines, and endeavouring to cow the population by incessant punitive expeditions. The idea that it is possible to restore law and order, let alone achieve prosperity, under an alien military occupation flies in the face of facts and flouts the lessons of history.

Manchuria, for decades incomparably the best equipped area in China in regard to railways, is for the first time faced with a reign of lawless violence which makes every trip by rail a hazardous and dangerous experience which may end in death. Trains have been and are being wrecked on the Mukden-Shanhaikwan Railway (once part of the efficient and reliable Peking-Mukden or Peiping-Liaoning Railway), on the South Manchuria Railway and its branches, on the Kirin-Hailung Railway, on the Chinese Eastern Railway. A vivid idea of conditions is given in the statement of General Hattori, Commander of the Japanese 7th Brigade, who reported early in 1934 that his force alone had suffered 520 casualties, officers and men, in ten months, with 150 battles. The "period of pacification," which the Japanese originally announced as two years, has already expired, but they have long since extended this period to ten years, which to all appearances is likewise an improbable limit, in spite of the placing of all "Manchukuo" troops and police under direct control of the Japanese Army, as announced in a *Rengo* report from Changchun on December 21, 1933.

The most serious and persistent attacks upon railways, it may be noted, are along the line of the Chinese Eastern Railway, which constitutes the only rail communication between Europe and the Far East. There are, indeed, strong suspicions that the continued attacks and wrecks on this line, which have already taken a heavy toll of both Chinese and foreign lives, are something beyond mere banditry, and probably are part of a systematic effort of certain parties temporarily to ruin and destroy the railway so that they can obtain it almost free of charge from its present owners. However this may be, the situation during the first half of 1934 especially was so serious that the Far East was in danger of being cut off from railway communication with Europe. On November 28, and again on December 15,1933, on February 16, March 12, and again on April 1, 1934, the C.E.R. through express trains have been wrecked with mails stolen and passengers killed, wounded, or kidnapped. On another occasion in April the bandits pulled up the track, wrecked a train, and poured a fusillade of bullets on an eastbound freighter at a point 30 miles west of Muling. The outlaws overpowered, disarmed, and subsequently made off with the military guard, after a skirmish during which two persons were killed and many wounded, completely interrupting communication for some days between Muling and Mukden. These frequent and almost monthly wreckings of the trans-Siberian express have caused the Administration of the Chinese Eastern Railway to alter its time-table so that this train will have to pass through the "danger-zone," which lies immediately west and east of Tsitsihar, only during daylight.

It is not for nothing that the Tokyo correspondent of the *North-China Daily News*, a paper and a correspondent who have never been accused of being anti-Japanese, quotes old foreign residents who have recently been in Manchuria to the effect that "the lives of foreigners were never more in peril than at present," while "bandits frequently came up to the railway line, something that they dared not do in the past." The same British organ commented editorially on the February incident, noting pointedly with regard to "Manchukuo" that:—"It is now nearly two years since that regime came into existence on the basis of a belief that it would be able to excel its purely Chinese predecessor in the art of maintaining law and order. Yet attacks on the Siberian mail-trains have been frequent. It seems almost incredible that within twenty miles of Harbin the bandits could with impunity tear up the track in

the face of the oncoming express. Presumably the authorities will issue some kind of an explanation of the occurrence, otherwise unfortunate interpretations are likely to be placed on a disaster of that kind."

CO-OPERATION BETWEEN POLICE AND KIDNAPPERS.

"Manchukuo" conditions to-day may be better understood when one realizes that the present Harbin administration, like that at Changchun and other cities, is closely and intimately connected with criminals and criminal gangs. The situation at Harbin is something unheard-of in a well-conducted community. Not only is no one safe to venture outside the city, but even the streets themselves are unsafe. The Japanese authorities have operated in company with "White" Russian criminals, some of whom were actually in the police force, and were arrested only after categorical demands were made to the Japanese military by the French Consul, in connection with a case of kidnapping and murder of a French citizen by a gang led by a police-detective.

The level to which administration has sunk is glaringly illustrated by this case at Harbin. Scores of kidnappings, both of Chinese and foreigners, were taking place both within the city and outside it, there being evidently both Chinese and "White" Russian bandits at work, the latter operating with seeming impunity from the police. One Russian resident after another was kidnapped or murdered on the streets, Jews being especially victimized; but when the gifted musician, Simon Kaspe, a naturalized French citizen, was kidnapped, the French Consulate at once took up the matter. So utterly corrupt and criminal were the Harbin police that the Consulate actually had to hire its own detectives, whereupon one of these, Kimstach, was arrested by the police on October 9, 1933, for having found out too much about the Russian Fascist leaders of the criminal gang. The French Consul, however, demanded that searches be made, and these leaders arrested; but Eguchi, Japanese Advisor to the Harbin police, flatly refused, while demands addressed to the Chinese Chief of Police were simply referred back to Eguchi, evidently his superior. An appeal to the Japanese Consulate also failed. Not only was Kimstach arrested as "a person wilfully interfering in the police investigation and disseminating disquieting rumours," but a criminal who had been arrested, Komissarenko, was actually liberated by the police. It was then necessary for the French Consul's private detectives to seize him by an extra-legal "arrest," when they obtained from him a full confession. A cordon thrown around his

residence by the Consul's detectives resulted in the capture of Komissarenko's brother; but three others of the "White" bandit gang, Kirichenko, Shandar, and Galushko, were permitted by the Harbin police-detectives—against the protest of the French Consular detectives—to walk out of the house unmolested. This was on November 21; three days later they murdered the pianist.

The French Consular authorities not only had to hire their own detectives, but had to go over the heads of the police to get any action taken at all. When, however, they presented emphatic demands to the Japanese Military Mission in Harbin, the latter could not well avoid giving orders to the Japanese Chief of the C.I.D. to find the kidnapped man. Police criminality, corruption, and unwillingness to act made it impossible to save Kaspe, but the leader of the gang,—the "White" Russian bandit Martinov, who had been appointed detective-inspector in March, 1932, wjien the Japanese took over real control in Harbin,—was arrested after much demur by other police officials, and, much too late, Kirichenko, Shandar, and Galushko were also imprisoned. The whole amazing affair, only uncovered by the persistence and courage of the French Consul, exposes, beyond all shadow of doubt a police force partly under the direct control of a "White" Russian criminal gang, supported and protected by Japanese in authority who had used and were using these renegades in criminal intrigues for their own purposes.

Much space has been given to describing conditions in Harbin because the activity of the French Consul has illuminated with such clarity the situation existing there. Incidentally, the affair resulted in the transfer of the Vice-Consul to another post as *persona non grata* with the Japanese and their "White" bandit colleagues. There is no reason to think the situation is much better in other cities. In Changchun, indeed, we have the extraordinary situation of a convicted murderer, the notorious Captain Amakasu, serving as Chief of police. (Amakasu was convicted of murder, on two counts, in a notorious case which happened in Tokyo ten years ago, and was sentenced to a term in prison, which was whittled away on one pretext or another until finally the convicted criminal was elevated to the post of Chief of Police in Changchun, the capital of "Manchukuo.")

ENCOURAGING OPIUM TRAFFIC.

And yet, somehow, under the yoke of an administration supported by alien criminals and gunmen, the people must live. The way that is

open to them—the only way, with the terrible uncertainty and insecurity now existing—is the cultivation of opium. The foreign resident above quoted (from the *North-China Daily News)* in connection with Manchurian conditions, found the trip to Harbin a "sad revelation. . . . . On previous trips he had never seen a single poppy-plant growing along the South Manchuria Railway, but on his latest journey he was amazed to find that there were districts where for miles nothing but poppy was grown, and this on both sides of the railway." At the consuming end, "he had never in all his life imagined that there could be so many opium-dens as have newly been opened in Harbin."

Here we have what is clearly becoming the economic life-blood of the country—poppy-growing and the opium traffic. That this great crop is intended for home consumption is out of the question. It is too enormous to be consumed in Manchuria, and can only be intended for sale in China south of the Great Wall, or for sale abroad. The statement of Miss Yoshiko Kawashima, who has been referred to as Japan's "Manchurian Joan of Arc," is worth noting in this connection. After declaring, in a recent radio broadcast throughout Japan, that "the arrogance of the Japanese in Manchuria is breeding intense hatred among all classes of the population," caused especially by the sending of Japan's "worst elements" to Manchuria, she remarked that the Japanese authorities in "Manchukuo" are actively encouraging the peasants to plant poppies in place of soya-beans, the characteristic Manchurian export crop.

The turning over of farmland to opium cultivation is a most serious symptom. It is not only the creation of the Opium Monopoly which causes this, but also the uncertainty and insecurity of the farmers under the present reign of violence and brigandage. Opium is small in bulk; it can be conveyed or stored in far less space than any grain or bean crop, and hence is less likely to excite the avarice of bandits of any nationality. In earlier days it was the crop of the frontier, whence transportation was too expensive to make grain or bean cultivation for distant markets practicable. Now Manchuria is going back to frontier days; insecurity and violence make normal economic life impossible.

In addition *to* the widespread poverty of the Manchurian population, and the devastation of their crops and property by the ceaseless warfare being waged between Japanese troops and "bandits,"—conditions which have driven the more robust and patriotic to down tools and join the

"bandits" righting the Japanese and Japanese-officered "Manchukuo" troops,—"there is another reason why the Manchurian peasant has turned to the high road—it lies in the agrarian policy of the 'Manchukuo' government, which only now is being conceived by the peasantry in its full scope, namely, in the apparent determination of the puppet government to take the most fertile land from the Chinese peasants, and to give it away to the settlers from Japan. Though the Japanese colonization of Manchuria, despite the high-sounding publicity around it, is too small, and does not yet constitute a social danger for the Chinese settlers, it is apparent that the Japanese, either by hook or crook, are bent on taking the land along the principal railways and waterways, namely, the Kirin-Tunhua, the Lafa-Harbin, the Taonan-Tsitsihar railway regions, all of which are amongst the first ones to be settled, in addition to the Lower Sungari region"*

JAPANESE-FOSTERING BANDITRY BY ARMS-SMUGGLING.

A question often asked by those who are puzzled to understand how it is possible for bandits in Manchuria and other parts of China to continue their resistance to the authorities is, "How do they get arms and ammunition?" There is more than one answer to that question, for supplies are obtained in many devious ways, some of which are known, while others can be only guessed at. One thing is certain—that for very many years there has been a regular traffic in arms and ammunition from Japan to China, especially to North China and Manchuria, together with a certain amount of similar illicit business along the China coast and the Yangtsze. In Manchuria these Japanese arms are now being used against the Japanese themselves.

It must be noted at the outset that smuggling, or dealing in any way, in arms, ammunition and explosives is a crime punishable by imprisonment, not only according to Chinese law, but also according to the Japanese Criminal Code; while treaties concluded between China and foreign countries contain stringent provisions against smuggling. In ordinary circumstances the elusiveness and artifices of smugglers are difficult enough to deal with, but complicated by the existence, real and alleged, of extra-territorial rights of foreign persons or ships, and of territories under foreign administration, the difficulties which the Chinese authorities have to face in dealing with smugglers are increased to an

*See *China Weekly Review,* April 7, 1934, **p.218.**

extent unknown in Europe or America—especially when the authorities of certain nations make it a matter of policy to connive at such activities. Thus, the various Japanese Concessions, the South Manchuria Railwav areas, and the Kwantung Leased Territory have been notorious as trading centres for smugglers. In these places they can always get the upper hand in the game of hide-and-seek with the Chinese authorities, being usually able to make good their escape long before the indispensable Japanese authorization can be obtained for their arrest. Moreover, as the Kwantung Leased Territory enjoys the additional privilege of importing, duty-free, all kinds of merchandise for local use or consumption, smugglers have simply to land their goods there and smuggle them into Chinese administered territory at their leisure. Again, the Commissioner of Customs and his staff must, according to the Dairen Customs Agreement of 1907, be of Japanese nationality, so that the Chinese Government has to depend entirely upon them for the prevention of smuggling into the adjacent Chinese administered territories. While nominally rendering this assistance, the Japanese authorities have in many cases connived at this illicit traffic. Of the large number of cases which have occurred, the following are the most glaring:—

In June, 1912, a party of sixty Japanese, two hundred Chinese, and fifty Mongolians, with over 300 boxes carried on over 40 carts, were located at Chaoyangpo, twenty-five *li* from Kwanchuling. In reply to a demand by Chinese soldiers for examination of the boxes, the smugglers put up an armed resistance, and were only captured after suffering several casualties. In their possession were found smuggled arms and ammunition, including 1,500 rifles, 300,000 rounds of ammunition, 200 pistols, 20,000 cartridges, and 300 military swords. These weapons and munitions were destined for the Mongolians who were then being incited by the Japanese to open rebellion against the Chinese Government.

In June, 1915, General Lung Chi-Kuang, Military Governor of Kwangtung Province, reported that two Japanese warships, anchored off Haiphong were found to have unloaded 11,000 rifles and 30 field-guns without the previous knowledge and authorization of the Chinese Government.

In January, 1923, a Japanese firm in Harbin, under the name of "Trading Company for Manchuria and Mongolia" was known to be dealing in firearms, and, as a result of a search, was found to have on its premises 42 automatic pistols and 372 cartridges.

In April, 1926, a Japanese was **found** in **Harbin** with 34 **pistols and** 12,000 cartridges, which, it was ascertained, had been shipped from Dairen.

As early as 1908 a Japanese named Nagashima was detected in an attempt to smuggle 90 rifles and 10,000 cartridges into Kirin. In March the same year an inspector of the Maritime Customs, who was despatched to Shanhaikwan to prevent arms-smuggling, after a survey of the neighbourhood, reported that he saw two Japanese shops in Hsinmintun which displayed arms of all kinds, and where customers could secure any quantity with ease.

In 1930, in the city of Mukden alone, there were eleven cases in which Japanese subjects had been caught red-handed supplying arms to bandits. As Mukden contained an area under the exclusive administration of the Japanese, it was usually not easy for the Chinese police to ferret out Japanese offenders. And the very fact that, under such difficult and unfavourable circumstances, the Chinese police were actually able to bring to light so many cases of Japanese being engaged in this unlawful trade only strengthens the belief that there must have been many more cases which escaped detection.

The most glaring instance of "gun-running" of recent date was that first reported by the *Tass* Agency, and transmitted by *Renter s* correspondent at Moscow. It stated that numerous arrests were continuing (December 1, 1931) at: Dairen and Mukden, involving Japanese employees in Government and semi-Government institutions—including the South Manchuria Railway and the Dairen Customs House—on charges of participation in supplying arms to General Ma Chan-Shan, who was at that time engaged in fighting against the Japanese troops. It appeared that three car-loads of arms despatched from Dairen to Tsitsihar for the Chinese forces were detained at Mukden. The report went on to say that the preliminary results of the inquiry showed that the alleged smugglers* association was backed by prominent Japanese and non-Japanese officials in the Three Eastern Provinces.

SIGNIFICANT JAPANESE ADMISSIONS.

It may be pointed out that, in Japan, the manufacture of firearms is a Government monopoly, and anyone infringing that law is punishable with fine or imprisonment. Further, no one is allowed to deal in arms or ammunition of any sort without Government authorization, any violation rendering the offender liable to severe penalty. Smuggling

arms from Japan into China can, **therefore,** scarcely be possible without either culpable negligence or connivance on the part of the Japanese authorities, considering the large scale of such activities.

It has also been found that most of the arms captured from the bandits were of Japanese manufacture. A Japanese Prime Minister, General Terauchi, replying to an interpellation in the Diet in January, 1917, openly admitted that Japanese merchants and Japanese military had always been in the habit of supplying arms to the bandits in the Three Eastern Provinces!

In the *Second Report on the Progress in Manchuria to 1930,* issued by the South Manchuria Railway, the Japanese themselves admitted that, of the arms found on captured bandits, 25 per cent were of Japanese origin, and 20 per cent of Russian origin, presumably of the type seized by the Japanese from the Russians during the Russo-Japanese War. A large part of the arms taken from the bandits are therefore actually provable to have been supplied by the Japanese themselves.

Full credit for the fact that bandits in Manchuria are so well-equipped must, accordingly, be given to the Japanese arms-smugglers. The statement in *The Present Condition of China,* p. 127, a Japanese publication, to the effect that "the Manchurian bandits, compared with others, are superior in discipline, military training and weapons" seems to have been made with that intimate knowledge of sources of supply, and actual strength, which only confederates in a, common undertaking can possess.

Further evidence that the Japanese are in intimate contact with bandits, whose activities they do everything to encourage, is found in a Japanese book, entitled *Mounted Bandits in Manchuria,* written jointly by Kokurin Takahashi and Kifun Akama, and published in 1926 by the Hakuyeisha. This book describes how the Japanese authors joined the mounted bandits in the Three Eastern Provinces as their leaders, and how they engaged in political and military activities aimed at over-throwing the properly-constituted Government in the Provinces. A few extracts from this book are sufficient to show the close relationship that exists between Japanese agents and the bandits of whom Japanese pro-pagandists abroad—official and unofficial—make so much political capital. The following extracts are significant:—

> "It is a well-known fact that the Imperialists were those who sup-ported Prince Su in an effort to restore him to the Manchu throne,

and the leader of the Imperialist party was Naniwa **Kawashima.** Kawashima and Prince Su were sworn brothers. The former, wishing his sworn brother *to* re-establish his prestige in the political world, attempted first to bring about the independence of Manchuria as a preliminary step to the restoration of the Ching dynasty. Accordingly the organization of the Manchuria Expeditionary Force was, from 1916, actually formed. But owing to the sudden change of attitude, at a most critical time, of a certain Ministry which had promised to give its full support, and also to a miscalculaton of the real strength of Chang Tso-Lin's forces, the expeditionary forces were sadly defeated before they ever got to Manchuria. They were unable to rally again; Prince Su passed his sorrowful days in Port Arthur and died there in 1921. The person, although not a member of the Prince's family, who sighed 'Alas, that is the end!' was Naniwa Kawashima. After the demise of Prince Su, Kawashima took over all the Prince's children, and kept them in his own house. The eldest son of the Prince, originally named Hsien-Cheng, was desired by Count Yenkichi Ogi as his son-in-law, but Kawashima refused to have this relationship established, because Hsien-Cheng was the Prince's heir. Kawashima served, during the Sino-Japanese War, as an interpreter in the Headquarters of the Commander-in-Chief of the Japanese Army, and had rendered service to a Chinese military officer who was then held as a prisoner of war. The Chinese military officer later got into power, and through his intermediary Kawashima became acquainted with Prince Su. This was the basis of Kawashima's activity in Manchuria." **(pp.6-7).**

"Bapuchapu, 'uncanny hero' of Mongolia, organized in secret, the Manchuria Expeditionary Army. He led 3,000 able Mongolian troops into Manchuria, starting from Kulun to Chengchiatun, in the summer of 1916. It was in the latter place that they engaged the Manchurian forces in many battles, and, for a while, seemed to hold their own. In the early part of the following autumn, they were defeated, and their leader, Bapuchapu, was killed. They were, therefore, forced to retreat into the interior of Mongolia.

"It is needless to say that the expedition of Bapuchapu's forces to Manchuria was designed by the Imperialists, and was reinforced by the Imperialist army, under the leader, Kawashima. The idea was to annihilate the Manchurian Army in one blow, and to occupy the city of Mukden. It is unfortunate that the combined forces of the Mongolians, who are reputed for their ferocity, and the Japanese, who are both resourceful and brave, should, owing to imperfect training, fail in their campaign.

"The Commander of the Detachment of the Mongolian Army was Munenosuke Nakagawa, who had been editor of the *Asahi Shimbun*

before the Russo-Japanese War. The detachment had its headquarters in Dairen, where a force of 500 men were first recruited. They were secretly packed into freight-cars and transported to Chengchiatun. At the same time, mounted bandits in various parts of the land were told to raise the standard of revolt. But, before the mounted bandits could rise, and the detachment get to Chengchiatun, Bapuchapu's main army had already met with a disastrous defeat, much to the regret of the Imperialists." (pp.9-10).

"Though the plot to overthrow Chang Tso-Lin, and to set up Prince Su, as concocted by Kawashima. . . . failed, for various reasons, to be carried out, the Japanese remained active as bandit-leaders. Among them were Tenki, at present known as Po Yi-San, the most notorious among Japanese bandit-leaders, Shigenabu, originally Chief of the Japanese police at Changchun, who, after his dismissal became a *ronin* or Japanese rowdy in Manchuria, Kohama, originally manager of a certain company in Antung, who subsequently also became a *ronin*, Tenraku, a Japanese military man whose experience in banditry was even above that of Tenki. With them were several Chinese bandit-leaders, such as Shuan-Shan, Chin-T'ou, Niao-Lung, Chang Chiang-Hao, Kao-Shan, Shur-L,ung and Kuei-T'ou.

"Tenki rose in Hei-Lin, Kirin Province, and Kohama rose in the neighbourhood of Peng-hsi-hu; Shigenabu, who took advantage of former favours shown to a certain Chao, Commander of a cavalry battalion stationed at the time at Pei-cheng-tzu, Mukden, persuaded him to revolt against Chang Tso-Lin and join hands with himself. Accordingly, accompanied by several Japanese, Shigenabu proceeded to Pei-chang-tzu.

"Shigenabu fell into a pitiable plight. For Major Chao, being informed of the defeat of the Mongolian Army, changed his attitude, arrested Shigenabu and put to death all of his followers. As to Shigenabu, he was put in a lady's sedan-chair and conveyed to Kaiyuan where he was liberated.

"Those bandit-bands who took sides with the Mongolian Army were known among the Imperialist armies under the following names: Tenki's troops as the Sixth Brigade, Shigenabu's troops the Seventh Brigade, Tanraku's tioops the Eigth Brigade, Kohama's troops as the Ninth Brigade." (pp.33-36).

"The Japanese who joined the bandits would be sinners unpardonable by Heaven if they should work for their personal pleasure only. If, however, their act was inspired by their undaunted patriotism, then, irrespective of its consequences, it should be tolerated by modern moral standards." (p.38).

"Takamori Saigo Henmi, a famous Japanese General, has a son named Isako Henmi, who was Commander-in-Chief of the Japanese mounted bandits during and after the Russo-Japanese War.

"After the war Henmi went to Changchun, and obtained within the railway zone of the South Manchuria Railway the privilege of operating a gambling resort.

"In that gambling establishment, the Chinese flocked like water seeking its lowest level, and would stake all they had in a desire to win. The percentage collectable by the establishment reached an enormous amount. This money Henmi used for the support of his own followers. In addition, the police and the post-offices at Changchun are said *to* be built with funds from this very source. This is, however, too scandalous to be revealed." (pp. 45-47).

In the light of these Japanese revelations of their own intrigues, it is no cause for wonder that the bandits in the Three Eastern Provinces, particularly those in the neighbourhood of the South Manchuria Railway, should be ~so well-armed, well-disciplined, and well-trained." Having served the purposes of the Japanese, these bandits would naturally continue their profession of being pests to society, improving, after their schooling under the Japanese, in armament, knowledge, and perhaps atrocity—statements corroborated by Baron Goto.*

With regard to bandit-raids in the so-called South Manchuria "railway zone," the *Second Report on Progress in Manchuria to 1930* issued by the Railway, gives some interesting statistics. The number of bandit-raids within the "zone" is given as 9 in 1906, and as 368 in 1929, an increase of 4,100 per cent! The frequency of the raids is in direct proportion to the increase of Japanese power in that area, which, it must be remembered, was policed by the Japanese themselves, and zealously guarded against any intrusion on the part either of the police, or of any other Chinese Government agents. The more guards and soldiers the Japanese stationed in the area, the more frequent were the bandit-raids. This is the condition in the places where the Japanese authorities have practically complete control as regards the maintenance of peace and order.

FOREIGN OBSERVER'S IMPRESSIONS OF CHINESE ADMINISTRATION.

But outside these Japanese-controlled areas there was a different story, as testified by Dr. Dugald Christie, C.M.G., who, writing in the *Scotsman,* Edinburgh, stated:—

*See Appendix III.

"I went to Manchuria in 1882. During the 12 years before the first Japanese invasion I, as well as others, travelled in every direction without escort of any kind, and always met with much kindness from officials and people. Brigandage did exist, mainly in remote mountainous regions, but was kept well in check by the firm hand of the Government. War always causes disorder, and each of the three wars which devastated the land from 1894 to 1905 brought a great excess of brigandage and a slackness in rule.

"As a whole, Manchuria has been better governed than most of China. The same failings and abuses found in the Government of Shantung or any other province existed there also, but to a less extent, and the position of foreigners was better than perhaps anywhere else. From 1905 onwards she had a succession of enlightened statesmen as Viceroys, who did great things in building up prosperity, and in the development of education. The civil wars, that have ravaged China in recent years, left Manchuria untouched, largely owing to the determination of those in rule, that they would do nothing to give Japan a handle for interference."

Such were the conditions prevailing in the Three Eastern Provinces prior to September 18, 1931, when the Japanese troops attacked and occupied Mukden and its neighbourhood. One week after the occupation of Mukden the section of the Peiping-Liaoning Railway east of Shanhaikwan began to be infested with bandits, an event unheard-of before. One or two instances may be given to illustrate the unscrupulous methods which the Japanese authorities have employed to enlist the services of bandits to serve military and political ends.

CREATING A BANDIT ARMY.

On October n, 1931, the Headquarters of the Kwantung Army despatched Shigetaro Kuraoka, Takumatsu Masumoto, and Gennosuke Michimoto with Yen 10,000 in banknotes to buy over the bandit-leader, Lin Yin-Ching, an old resident of the Japanese-controlled area of the South Manchuria Railway at Mukden. The services thus purchased consisted of recruiting bandits and organizing them into the so-called "North-Eastern People's Army for Self-Defence," with the avowed object of attacking Chinchow, then still under Chinese control, and driving out the Provincial Government provisionally stationed there after the Japanese occupation of Mukden, All the arms, ammunition, and food required by the bandits were supplied by the Japanese military authorities. On October 19, Lin established his headquarters in his own house, No. 18 Goyai-cho, in the Japanese-controlled area. He was given an

official seal by the Japanese, bearing the inscription "Seal of the Commander-in-Chief of the North-Eastern Peopled Army for Self-Defence." His plan of operation was formulated for him by the Japanese agent, Kuraoka. The bandit chief started on his expedition from the Chienshan station of the South Manchuria Railway, and proceeded to Taian, recruiting bandits and rabble on his way. This band was finally defeated and dispersed by the Chinese troops, and many were taken prisoners.

Following the defeat of Lin Yin-Ching, the Japanese looked elsewhere for another tool, and found one in Chang Hsueh-Cheng, who had figured in several unsuccessful plots against the Chinese authorities. He was employed by the Japanese, and directed by them also to attack Chinchow; but the authorities there, having received early warning of the attempt, and taken precautions accordingly, frustrated the plot, and Chang Hsueh-Cheng was himself captured.

As a result of the sudden occupation of Mukden by the Japanese, large quantities of military supplies belonging to the Chinese authorities fell into their hands. These the Japanese distributed freely among the bandits. Some of them even found their way to Tientsin, and were given to the gangs who attacked the native city (with the Japanese Concession as their base of operations) in the early part of November, 1931. Several carloads of supplies were sent to Payintala and distributed among the Mongolian bandits, so that they could be used to attack Jehol, and the northern part of Hopei Province. Nevertheless, these bandits finding Japanese arrogance and oppression unbearable, and sharing common cause with the Chinese, created disturbances instead in the localities which were garrisoned by Japanese troops, and harassed them to their serious discomfiture. Thus, with the lawless elements of their own creation rampant, the Japanese authorities have found it impossible to maintain peace and order in places under their military occupation; and now find themselves in the ironical position of seeing the very weapons, which they intended to be used against the Chinese, directed against themselves by their own minions.

THE "OPEN DOOR" IN "MANCHUKUO."

The policy of the "Open Door" owes its origin to the scramble among European Powers for concessions in China which threatened to bring about the partition of the country. This happened towards the end of the last century, and their economic rivalry was so serious as to endanger peace until the U.S. Secretary of State, John Hay, formulated

the celebrated doctrine of the "Open Door/' After an exchange of Notes between the United States and the Powers concerned had established a common basis of agreement, the policy was formally declared by Notes communicated by the United States Ambassadors to the respective Governments at London, Paris, Berlin, St. Petersburg, Rome, and Tokyo. "It was a policy to open the 'spheres of interest* that the Powers had hitherto held in China and to put all nations on the same and equal basis—politically as well as economically—with a view to maintaining a stable balance of power in the Far East. It was not opening China's door. As a matter of fact, after the wars of 1839, 1858 and i860, China had already thrown her door open." In 1922, the principle was sanctified by express embodiment in one of the Washington Treaties, namely, the "Treaty Relating to Principles and Policies concerning China" of February *(x* And ever since its declaration in the Hay Notes, China has constantly maintained an unswerving policy on this issue, expressed in these words by Dr. Wu Ting-Fang, Chinese Minister to Washington, and a contemporary of Hay:—

> "As a market for the world's goods, China indisputably holds the first place, for the wants of 350,000,000 to 400,000,000 people have to be supplied in some way. It has been said that as a market one province in China is worth more than the whole continent of Africa. It has always been the policy of China to treat all foreign nations alike. They are all most-favoured nations in a literal sense. The maintenance of an 'open door' is exactly in the line of her policy. . . . .China welcomes to her shores the people of all nations. Her ports are open to all, and she treats all alike, without distinction of race, colour, nationality or creed. Her people trade with all foreigners. In return she only wishes to be treated in the same way. She wants peace—to be let alone, and not to be molested with unreasonable demands." *

But how is the principle of the "Open Door," so often solemnly proclaimed with blares of trumpets by Japan and her puppet, being observed in fact ? That Japan has violated it as flagrantly as she has had broken her undertakings under the League Covenant, the Nine-Power Treaty, and the Pact of Paris by her occupation of Manchuria, is too well-known to require further evidence by way of proof. To cite but one official Japanese pronouncement that Japan has intended all along to

Dr. Wu TingwFang's Address at the annual session of the American Academy of Political and Social Sciences, April 8, 1899. See Bureau of Statistics Reports, U.S. Treasury Department, p.2200-01.

pay nothing more than lip-service to her pledges, there is the article by General Kuniaki Koise, Chief of Staff of the Kwantung Army, drawing up a plan of "Japan's policy for the development of Manchukuo." Therein he advocates the "consolidation of Japan's economic position in 'Manchukuo' before any of the world Powers start economic activities in that country." * This plan is now being systematically carried out, despite Japanese professions to the contrary.

For instance, Japan is striving to consolidate what her leaders designate as the Japan-China-"Manchukuo" bloc, the consummation of which means complete Japanese hegemony in the Far East, leading ultimately and certainly to the elimination of American and European influence from China and Asia generally. In "Manchukuo" surely, and not slowly either, non-Japanese commercial activities are being driven out, similar to the situation already prevailing in Korea. The Japanese purpose, of course, is to squeeze American and European interests completely out of the field.

Last year the Japanese claimed that there was a large increase in Japan's trade with "Manchukuo," but these claims were not born out by facts. There has been little actual increase in the sale of ordinary Japanese commodities in Manchuria, such as cotton goods and so forth. Most of the other increase has been in so-called capital expenditure, that is, investments by the S.M.R. or semi-official concerns in new railway construction, chemical plants, and such industries as come under the heading of military necessity.

Aside from automobiles which are used for military purposes, there has likewise been very little increase in the trade of foreign countries—such as the United States, Great Britain, and Germany—with "Manchukuo." The Germans recently demanded that "Manchukuo" must purchase more German goods in exchange for Germany's large purchases of Manchurian soya-beans. Such increase of trade as appear to have been made are not actual increases but simply a change in the method of importing. Previously the large American, British and German firms supplied Manchuria from stocks maintained in Shanghai. Now they must import direct, hence comes the appearance of a great increase in trade where there has been very little actual change. The Japanese are bringing strong pressure to compel all foreign firms to establish separate

* Japan—"Manchukuo" Year Book, 1934, p.821.

offices in "Manchukuo" or deal through head offices or branches in Japan rather than through their offices in Shanghai or Tientsin.

During the latter part of 1934 there was a serious conflict in Manchuria between the Anglo-American oil companies and the Japanese over discrimination in the import of kerosene. The Japanese were importing a low-grade kerosene which they classified as "light oil" under a cheaper Customs classification than Anglo-American interests were able to obtain. This is but one example of the closing of the "Open Door." In 1929 American and other foreign firms sold large quantities of railway equipment to the Chinese authorities. This business has all been stopped, because the Japanese are now supplying the Manchurian railways directly from their own factories in Japan. They do not even ask foreign firms for bids. A Belgium manufacturer reported that Japanese concerns were selling steel rails in "Manchukuo" at less than 50 per cent of his quotations.

SECRET FREIGHT AND CUSTOMS REBATES.

Foreign firms in Dairen having business in "Manchukuo" claim that it is next to impossible to trade directly with Chinese or foreign firms located within "Manchukuo" territory, as the Japanese are able to obtain lower freight-rates and Customs duties. It is customary for Dairen firms which desire to ship merchandise to Mukden, Changchun, Harbin or elsewhere in "Manchukuo" to go to Japanese forwarding concerns and ask them to handle the shipments, as the Japanese always are able to obtain better rates. For this purpose it is usual to request the Japanese forwarding agents to make a single quotation, covering both freight and Customs charges. In this manner the Japanese are able to camouflage any freight or special Customs rebates to Japanese which non-Japanese concerns are unable to obtain. This applies particularly to parcel post traffic along the S.M.R. and C.E.R.

Another significant development in the Manchurian situation is the fact that Dairen, since the Japanese occupation, has become probably the largest smuggling centre in the world. The illicit traffic includes all types of merchandise, flour, sugar, oil, cotton goods, and even motor-cars, not to mention the flourishing "dope" or narcotics business. The smuggling is conducted by renegade Chinese concerns enjoying close relations with Japanese officialdom, and is done by means of junks which find shelter in the numerous bays and inlets about the Kwantung Leased Territory. The junks leave early in the mornings in fleets of a dozen,

and it is a common saying that if eight get through without being caught, there is a good profit. The smuggled merchandise goes into "Manchukuo" territory, China, and even into Soviet territory in the vicinity of Vladivostok.

JAPANESE MIS-STATEMENTS REFUTED BY U.S. CONSUL.

Japanese propagandists have boosted trade and investment opportunities for foreign countries in "Manchukuo" so extensively—and, it must be admitted, so successfully—that by sheer persistent dinning of misinformation, downright unbelief has often been converted into doubt, and doubt eventually into credulity. It has been pointed out that foreign business coming into "Manchukuo" in 1933 was millions ahead of the previous year, and figures have been given in alleged support of that claim. For example, American imports for the first half-year of 1933 are reported to be 16,000,000 yen, as against 8,000,000 yen for the whole of 1932.

This claim, however, has been refuted by Mr. John Carter Vincent, United States Consul at Dairen, in a "Special Circular" issued by the Department of Commerce of Washington, dated December 15, 1933." * Facts and figures quoted therein show that, instead of an increase as alleged, there has actually been a decrease, while the future of American trade interests in "Manchukuo" has been seriously threatened with extinction by illegitimate competition. "Although, on the face of them, statistically correct," says the Circular, "these reports (of the reputed increase of non-Japanese foreign trade in Manchuria) are in fact *incorrect and misleading,* owing to the failure to take into consideration certain decisive collateral factors affecting the trade. For instance, in the case of American trade, in previous years more than 50 per cent of Manchuria's imports of American goods has entered through Shanghai, and has been credited to Shanghai as the place of origin; whereas this year, due to the administrative changes referred to, shipments are made direct and are credited to the real country of origin, the United States."

The above is an official American report. Unofficially, Mr. Edgar Snow, a well-known American journalist, narrated in the *Saturday Evening Post* the results of personal investigations into conditions in "Man-

* Special Circular No. 286, (Division of Regional information), Far Eastern Series No. **141,** entitled "Manchuria's Foreign Trade and America's Share Therein."

diukuo." His interesting account of Japan's trade policy in the occupied territory is as follows:

" 'So you see,' exclaim Japanese bureaucrats who ecstatically describe their Imperialism as a harbinger of civilization, 'we are opening doors, not closing them, as your statesmen fear/ Maybe. But the American's place is behind a queue of Japanese so long that by the time he gets to the portal of 'equal opportunity for the commerce and industry of all nations,' as prescribed by the Nine-Power Treaty, he finds a grinning Japanese doorman, who informs him, 'Very sorry for you; opportunities all finish.'

"True, he still sells his cars and trucks, increasingly in demand by the army, but most of them are now assembled in Japanese factories, which may soon make motors also, and they are marketed through Japanese dealers. He still sells his tobacco, for Japan has not yet established the monopoly planned for 'Manchukuo.' But with plans materializing for extensive tobacco-plantations in 'Manchukuo,' few Far Eastern tobacco-men are so naive as to imagine that the monopoly system will not very shortly eliminate them, as it has in Korea, Formosa, and Japan itself.

"Americans still dominate the oil market, but in kerosene, the most important item of business in 'Manchukuo,' Japanese make heavy inroads. 'Discrimination against our products in the Customs tariff,' charge the Standard Oil people in explaining Japanese success. It appears that the Japanese produce, from Sakhalin shale, is a kerosene of slightly lower specific gravity than American and British kerosene. 'ManchukuoY tariffs have been arranged so that such Japanese kerosene can enter the country for MJ.Y. 0.50 a case of ten gallons, under the category of 'light oil,' while the American product, entering as kerosene, pays a duty of M.Y.2.75 Per case.

" 'This so-called light oil is distributed throughout the interior in unlabelled tins,' complained the manager of the Standard Oil Company to mc in Mukden, 'but nicely printed labels marked *kerosene* are mailed to dealers. Pasting them on the tins is a simple business. The result is then sold in competition with the stuff it costs us M.Y.2.75 to bring into the country. Naturally, we're ruinously undersold.'

"To complaints made by the American and British oil-men, the Japanese shrug indifferent shoulders, and reply that 'Manchukuo' is an independent State. Japan cannot interfere with her tariff autonomy. Now, if the honorable foreigners' Governments were to recognize 'Manchukuo,' such matters could speedily be adjusted by the honorable foreigners' diplomatic representatives at 'Hsinking.' Sodeskal

"This is the outstanding example of discrimination against foreign goods. There may be others, and there is an extraordinary amount of

smuggling of Japanese products, with official sanction, but in most lines their goods need no preferential tariffs to seize the market. With the advantages of heavily depreciated yen, low production costs, and cheap transportation from near-by Japan, coupled with long term credit and the bartering methods used, the Japanese steadily increase their trade superiority here, as well as elsewhere in Asia's East. Generally speaking, foreigners are selling nothing to 'Manchukuo' that Japan produces, and there is precious little nowadays that she does not produce. It is estimated that our exports to 'Manchukuo' dropped to less than $20,000,000 silver during 1933, representing a loss exceeding 30 per cent in our sales to Manchuria, before the 'incident/ European countries are faring similarly.

"Our Trade Commissioners have been withdrawn from 'Manchukuo,' likewise those of other foreign countries. Many of the larger foreign firms have permanently closed down, admitting defeat. Japanese continue to replace them, 246 new companies having been established in 'Manchukuo' since 1932, with a total capitalization exceeding Yen 200,000,000. 'Manchukuo' now buys over 70 cent cent of all her imports from Japan; Chang's Manchuria used to take only about 30 per cent of its imports from the busy islands. Japanese exports to 'Manchukuo' for the first nine months of 1933 reached an all-time high at M.Y.275,000,000. Returns for the full year probably will show an increase of nearly 100 per cent over the best year of the past. And the process of Japanization is just beginning, politically as well as economically."

JAPAN'S DRUG INDUSTRY IN "MANCHUKUO"

In addition to presenting an apparently insoluble political problem by her veiled annexation of Manchuria, and in addition to upsetting the equilibrium of trade the world over by extensive dumping of her goods, Japan now threatens the world with another evil. A very grave but timely note of warning was sounded by the League of Nations in the Report of the Opium Commission, published on March 20, 1934, concerning the actual (as opposed to the professed) drug policy of Japan in the puppet State of "Manchukuo."

The manufacture of opium and its by-products is no new story in Manchuria, while Jehol had been noted for its cultivation of the poppy, which afforded a substantial revenue to the former Chinese provincial authorities. Nevertheless, production was controlled, and to a very large extent the drug traffic was kept in check. The League Report, contrasting the state of affairs prevailing before and after the Japanese

occupation of Manchuria, paints an alarming picture of that territory today being turned by Japan's deliberate policy into a source of supply of deadly narcotics to the entire human race. One of the first acts of the puppet administration of "Manchukuo" was to create an opium monopoly, by an "Ordinance" promulgated on November 3, 1932. The purpose of this reactionary legislation was to raise revenue to buttress the tottering administration; and while the drug was bought in by the "State" from the producers at a fixed price, it was released to consumers through thousands of licensed shops at varying rates of profit, apparently according to the depths of the customers' pockets. The League report declared that not only was no limit set to the amount of consumption, but by a drastic reduction of 50 per cent, in the tax on opium cultivation, the peasants have been strongly encouraged towards poppy-planting. So much so that the increased output for the year 1934 is expected to reap for the monopoly the huge profit of ten million yuan, as against half that amount in 1933. The "Manchukuo Government" is so obviously the puppet of Tokyo that Japan cannot possibly exculpate herself from responsibility for its drug policy on the ground that "Manchukuo is an independent State."

That Japan should not only permit but actively foster the growth of this reprehensible traffic, which is condemned by all humanity, illustrates vividly the innate selfishness of that country. For while the Japanese Government strictly prohibits the use of any form of drugs among its own people, it vigorously assists the establishment of a system in "Manchukuo," which aims at supplying deadly narcotics to the whole world, without feeling any qualms over the evils that will result. Writing in the *Saturday Evening Post* Mr. Edgar Snow thus describes the present condition of the drug industry in Manchuria: —

> "The recent statement by Stuart Fuller, sent by President Roosevelt to deliver a protest against the 'Manchukuo' Opium Monopoly before the League of Nations Opium Commission, was a mild description of the drug peril there. In Harbin alone there are more than 2,000 licensed shops for the sale of opium, heroin, and morphine. 'The shops are licensed mostly by Koreans and Japanese/ a foreign Consular official informed me. 'But anybody can buy; no license required! Testing out his statement I asked a Chinese to take me to the nearest drug station. There I was off-red a shot of heroin for 20 coppers. . . . .

"Theoretically created to procure complete extermination, in practice the monopoly has vastly stimulated both production and consumption. One authority assures me that 'no less than *20* per cent of the Japanese subjects—mostly Koreans—in 'Manchukuo,' are directly involved in the narcotic trade.'

"Semi-official estimates places the production of opium alone in 'Manchukuo'—including Jehol—for 1933 at 280,000 pounds, which is sufficient to keep a pipe going in every hut. Unofficial estimates reach from two to ten times that figure. Japanese say, however, that the plantings will be reduced by half in 1934. Last year farmers were encouraged to grow the 'beautiful, deadly flower' in order to recoup losses during the 1932 depression, but in the future such privileges will not obtain. Only special areas will be allotted for poppy crops; violators will be fined heavily. Reasons behind this are probably not altruistic, for the great over-production of the drug has practically ruined the local market. *Great efforts have been made to increase foreign consumption.* Had enough in the old days, *the opium is palpably worse under the Japanese."*

The Japanese promises of restriction mentioned above, like other weightier ones are, of course, not to be taken seriously, certainly not at their face value.

In his well-known report on the drug traffic, Russell Pasha recently stated that the greatest measure of control ever known in the history of the illicit trade has been effected in Europe and the Near East; but expressed apprehensions concerning the large-scale manufactures of narcotics and their derivatives rapidly growing up in the Far East, with extensive organizations for the distribution of the same in many countries. It is no secret that drug-peddling is carried on with great profit as a side-line by certain big business-houses in Japan, as also by other smaller fry. The transfer of their sinister activities from Japan to "Manchukuo," whose administration is ever ready and willing to shoulder the blame for Japanese guilt, will naturally pave the way for more open activities by the **Japanese narcotic "ring."**

The greatest danger undoubtedly exists for China, when the "ring" operates from headquarters in "Manchukuo." The Japanese Customs authorities, in both the **puppet** territory and the Kwantung Leased **Area, arc notoriously "friendly" to smugglers, who are mainly, if not all, Japanese and Koreans, and whose activities can be conducted with perfect impunity under the protection of the Japanese military authorities. Even before the invasion of Manchuria, Japanese nationals, taking refuge under**

their rights of extra-territoriality, had been prominent as keepers of opium-dens in Chinese cities, and as peddlars of morphine, cocaine, heroin, and other narcotics. The bases of smuggling activities have always been the Japanese Concessions; while in cases where the culprits were caught red-handed upon Chinese soil, Japanese Consuls have been only too prone to interfere with the action of the Chinese authorities and secure their release scot-free. Matters are considerably worse in the present day. Before Japan openly invaded Chinese territory, she at least made some pretence of clothing her actions with a semblance of legality; now she takes no pains to disguise her efforts to wreck the country. The enormous activities of Japanese and Korean drug-traffickers in the Tangshan district (Hopei), and in Foochow and Amoy, today, bear witness to Japan's responsibility for the expansion of this vile traffic, which in the Tangshan district alone, has poisoned more than 500 persons during the first ten months of 1934.[1]

Japan has used the name of "Manchukuo" times without number whenever it suits her convenience to evade responsibility for her shady practices. The occasions when she finds it necessary to do so are becoming increasingly frequent. The use of drugs is being rigorously suppressed by the Chinese Government, and it is evident that, the recently augmented production of narcotics being in excess of such quantity as the Japanese could smuggle into the Chinese market, the balance will find its way into Europe, America, and other parts of the world to "dope" their citizens. The warning of the League Opium Commission contained in its report will therefore perform signal service by encouraging the nations to take steps against the danger of more of their people becoming drug-addicts.

*Bureau of Public Safety Statistics, Tientsin.

CHAPTER IX.

JAPANESE HEGEMONY OVER ASIA?

No one who has read the document known throughout the world as the "Tanaka Memorial"* can fail to be astounded at the audacity, ruthlessness, and immensity of conception of the Napoleonic scheme envisaged therein. The authenticity of the document has been challenged by Japan, but, even granting that it is a forgery—which the march of events in the Far East during the past three years would seem to any impartial observer to contradict—it must be conceded that the picture painted in the "Memorial" of Japan's designs conjures up startling possibilities. Viewing the part played by Japan in the Manchurian situation as a whole, one must inevitably ask whether recent events in Manchuria are not merely the preliminary steps in Japan's scheme for hegemony over Asia.

AFTER MANCHURIA—CHINA.

Proof that Japan is not content with Manchuria, but is seeking to absorb China as well by claiming an exclusive sphere of influence in the country, is provided by the statement issued by Mr. Amau, a spokesman of the Tokyo Foreign Office, on April 17, 1934. The first public intimation of what was coming was reported by *Renter* as early as April 9, to the effect that Japan's opposition to rendering any form of international assistance to China was based on a number of factors, including:—

1. The difficulty of ensuring division between technical and political assistance;
2. Taking previous attempts as precedents, a successful outcome was extremely unlikely;
3. The nations of the West, being far distant, could afford to risk failure, but Japan could not.

This statement was issued a few days after the departure from China for Geneva of Dr. Ludwig Rajchman, liaison officer of the League Committee of Technical Co-operation in China, to make his report on and recommendations for international assistance for the Republic. It

* See Appendix IV

will be remembered that when Mr. T. V. Soong, then Minister of Finance, on his way back from the world Economic Conference in London, negotiated for the League's technical assistance to China (which had received the vote of the 42 nations which adopted the Lytton Report on February 24, 1933), strong objections were raised by official as well as unofficial circles in Japan to such an arrangement. The same view was expressed in Mr. Amau's statement of April 17, the full text of which is as follows:—

"Owing to the special position of Japan in her relations with China, her views and attitude respecting matters that concern China may not agree in every point with those of foreign nations; but it must be realized that Japan is called upon to exert the utmost effort in carrying out her mission and in fulfilling her special responsibilities in East Asia. Japan has been compelled to withdraw from the League of Nations because of their failure to agree in their opinions on the fundamental principles of preserving peace in East Asia. Although Japan's attitude toward China may at times differ from that of foreign countries such difference cannot be evaded, owing to Japan's position and mission.

"It goes without saying that Japan at all times is endeavouring to maintain and promote her friendly relations with foreign nations, but at the same time we consider it only natural that, to keep peace and order in East Asia, we must ever act alone on our own responsibility and it is our duty to perform it. At the same time, there is no country but China which is in a position to share with Japan the responsibility for the maintenance of peace in East Asia.

"Accordingly, unification of China, preservation of her territorial integrity, as well as restoration of order in that country, are most ardently desired by Japan. History shows that these can be attained through no other means than the awakening and the voluntary efforts of China herself.

"We oppose therefore any attempt on the part of China to avail herself of the influence of any other country in order to resist Japan; we also oppose any action taken by China, calculated to play one Power against another. Any joint operations undertaken by foreign Powers *even in the name of technical or financial assistance* at this particular moment after the Manchurian and Shanghai incidents are bound to acquire political significance. Undertakings of such nature, if carried through to the end, must give rise to communications that might eventually necessitate discussion of problems like fixing spheres of influence or even international control or division of China, which would be the greatest possible misfortune for China and at the same time would have the most serious repercussions upon Japan and East Asia.

"Japan therefore must object to such undertakings as a matter of principle, although she will not find it necessary to interfere with any foreign country negotiating individually with China on questions of finance or trade, as long as such negotiations benefit China and are not detrimental to the maintenance of peace in East Asia.

"However, supplying China with war-planes, building aerodromes in China, and detailing military instructors or military advisers to China, or contracting a loan to provide funds for political uses, would obviously tend to alienate the friendly relations between Japan and China and other countries and to disturb peace and order in East Asia. Japan will oppose such projects.

"The foregoing attitude of Japan should be clear from the policies she has pursued in the past, but, on account of the fact that positive movements for joint action in China by foreign Powers under one pretext or another are reported to be on foot, it is deemed not inappropriate to reiterate her policy at this time."

Thus Japan presented to a startled world her version of a "Monroe Doctrine" for Asia. The Twenty-One Demands of 1915 in their original form were bad enough, and if accepted in their entirety would have reduced China to the condition that "Manchukuo" is in today. But Japan's latest declaration by interdicting practically any form of international assistance—whether economic, financial or military,—makes the 1915 effort look pale by comparison. In effect, Japan tells the world that her sanction is necessary before the latter may do anything in cooperation with China, officially and otherwise, thus claiming a controlling voice in China's internal affairs as well as foreign policy.

How or whence Japan acquired authority to supervise China nobody, probably not even the Japanese, knows. The pity of it all—from the point of view of the self-appointed "protectors" of China, of course—is that the recipient of the "benefits," having evidence of Japan's "benevolence" in the battlefields of Manchuria and the ruins of Chapei, should fail to be gratefully appreciative of her chivalrous and disinterested attitude in coming forward to save China from being victimized by the "selfish exploitation" of foreign Powers. Japan feels hurt that, because she has shown her "love of peace," and fulfilled her self-imposed task of policing East Asia by hacking her way across four Chinese provinces to the walls of Peiping, China should now doubt the sincerity of her protestations that the "unification of China, preservation of her integrity, as well as restoration of order in that country, are most ardently desired by **Japan."**

Such professions of altruism—so true to the traditions of Japanese diplomacy—do not deceive anybody, least of all the Chinese. Far from justifying Japan's policy, this pose merely reveals her lack of candour and intellectual honesty to confess her delinquencies. A candid Japan would have said frankly that foreign assistance to China might make it difficult for her to continue to impose her will upon China with the impudent ease she has done for many years; that she views with concern the fact that, though China is "down," she is not "out;" that the prospect of a China strong enough, not only to air her legitimate views, but also to defend the integrity of her own territories, is rather disturbing to the Japanese; and that Japan is not at all happy at the thought of China's schemes of economic reconstruction becoming a success, thereby rendering the country strong enough to deal with a bully in the only way a bully can be dealt with. The fact is that Japan is afraid for the future. Every month, every week, every day that the Chinese Government is able to carry on with its task of national reconstruction makes the execution of Japan's plans for Empire-building more difficult. A united China means a strong China, and it pleases Japan to regard a, powerful and prosperous China as a menace to peace in the Far East, whereas it is actually merely an obstacle to Japan's aggressive designs on the continent of Asia—which is something very different. Japan has seen China slowly progressing toward political unity, and likes not the prospect. Japan has tried again and again to prevent this unification. The robbery of the Three Eastern Provinces and Jehol failed to bring about the hoped-for disruption in Chinese politics; on the contrary, it actually stimulated national sentiment throughout the Republic and encouraged the popular movement toward solidarity. Having failed by this means to break the will of the Chinese people, Japan decides to try another method. Seeing that the work of national reconstruction has been steadily carried on in spite of the Chinese Government's pre-occupation with military operations against Japan's troops on the one side and Communist-bandits on the other, Japan has resolved to prevent China's development by warning European and American nations that their assistance to China is likely to have disturbing effects upon peace in the Far East.

And against what are Japan's objections really directed? The activities of a dozen technical experts sent by the League of Nations to assist China in drawing up plans for an extensive reconstruction scheme, covering the fields of health, education, communications, agriculture,

and administrative reforms. Their aim is purely and solely to lend their special technical knowledge to China, to assist her to get on her feet, to combat that alleged "disorganization" over which Japan has made such a show of lamentation, and to help in the great and noble task of accelerating the evolution of National-Revolutionary China into a stronger, more unified, and more prosperous country. For it has been generally realized that China's weakness itself constitutes an invitation to invasion; and hence a radical remedy for the dangerous situation in the Orient is to remove the cause thereof. The Japanese stand on the Far Eastern question, in a nutshell, is this,—Japan considers it her business to oppose any steps whatsoever, taken either by China herself, or jointly with any foreign Power or Powers which may, directly or remotely, enable this country to resist a repetition of such attacks as the one of September 1931 and after, upon its sovereignty, independence and territorial integrity. China's capacity for *resistance* Japan holds to be a danger to the peace of the Far East! All other explanations offered by Japan are merely eye-wash. The self-appointed guardian of the peace of East Asia apparently needs to be reminded that, ever since the end of the World War, the peace of this part of the globe has been seriously threatened on only two occasions, namely, the bombardment of Tsinan in 1928, and the invasion of Manchuria, together with the Shanghai War, 1931-32. It is scarcely necessary to say who was responsible on both occasions for the breach of the peace.

It is indeed ironical that a nation which has nothing but an unenviable record of having done all in its power to arouse the hatred of the Chinese, should now come forward as their benevolent protector, and warn off other nations genuinely desirous of helping this country by alleging that their object is "selfish exploitation." One would have thought that Japan, having robbed China, of half a million square miles of territory, would feel too delicately placed herself to question the actions of others as being of doubtful benefit to this country.

In order to appreciate the outrageous nature of the Tokyo Foreign Office statement, it should be pointed out, as did Mr. T. V. Soong, that "it is not only none of Japan's business regarding the technical co-operation between the League of Nations and China, but she has no right to interfere with any international assistance for China." Furthermore, with her impending retirement from that international body, it is hardly her place to question the activities of the League in regard to one of its

members. It will be useful to compare the League's method of assisting this country, namely by an agency which "asks no privileges or concessions and has no bayonet behind it," with that adopted by Japan. A graphic article in the *New Yor\ Times*, by Mr. Clarence K. Streit, thus describes it:—

> "Without fanfare, something resembling the international reconstruction of China recommended by the Lytton Commission is steadily getting under way. . . . Here is a country larger than the United States, Mexico, and Central America; a people more numerous than the populations of several of the greatest Powers combined.
>
> "On sudi ? scale ibegins a new adventure of civilization, that quite new adventure of the strong lending their strength to strengthen the weak and thereby themselves, instead of using it to weaken the weak and fatten themselves.
>
> "The adventure is so new that it goes on side by side with the latest application of the ancient method of Imperialism. For in Northern China, in the region recognized by Japan as 'Manchukuo', the Japanese have undertaken to modernize a part of China by force.
>
> "And so history is afforded this unique spectacle. North of the Great Wall in China the twentieth century arrives over the protesting bodies of its inhabitants, driven in by the machine-gun at the cost of millions; south of the Great Wall in China that century arrives invited and welcomed and voluntarily paid for by China. To the North 100,000 armed foreigners, all representing Japan, to the South not more than a dozen civilians drawn from the various countries of the West, but representing only the spirit of the League of Nations. So begins a test of whether Imperialism or Internationalism shall endure."

WORLD OPPOSITION TO JAPAN'S CHALLENGE.

Hostile reactions throughout the world, marked by scathing comments from the Press and unequivocal "requests" by the American, British, French and other Foreign Offices for an explanation of its intentions, caused the Japanese "informal" declaration of an "Asiatic Monroe Doctrine" to have a hectic but brief existence of only ten days.

The pronouncement was apparently a trial balloon, to test how far the leading world Powers were prepared to let Japan go in defiance of the stipulations of the Nine-Power Treaty. It was also intended to afford an opportunity to "iron out" a number of difficulties in her international relations, which account for her unenviable position among the nations today. With real or implied international recognition of her paramount position in Asia and the Western Pacific, Japan would have been in a much stronger bargaining position at the Naval Conference in 1935. Such recognition would, in effect, have enabled her to

bury the last vestiges of the Nine-Power Treaty, and would be tantamount to condonation of her seizure of Manchuria. It would have enabled her to take the most extreme measures to coerce China into recognizing "Manchukuo," thereby removing an insuperable obstacle to its recognition by others and to the consequent influx of capital so necessary to the development of the territory, and would have consolidated Japan's position therein. It would have strengthened Japan's hand in demanding from the United States recognition of her permanent right to the mandated Pacific Islands; allotment of an immigration quota in the States, as in the case of European countries; and suppression of all American military and naval bases in the Philippines, and the neutralization of those islands.

Japan is, as publicly admitted by Baron Wakatsuki, Chief Delegate to the London Naval Conference of 1930 before a meeting of the Minseito Party on May 17, 1934, in no position financially to indulge in any naval competition with either the United States or Great Britain. But the 5:5:3 ratio is regarded as unsatisfactory in view of her expansion programme and her present vulnerability. She has, therefore, been trying to trade her consent to retention of the above ratio for an arrangement which would disable the striking power of the two Anglo-Saxon nations in the Far East, and leave Japan undisputedly free to extend her control over Asia. The declaration of Japan's claims to exclusive paramountcy over East Asia, if accepted, would of course pave the way for the forthcoming negotiations with such assumptions as a basis.

The trial balloon, however, was pricked. Japan's claims were instantly and categorically denied by all signatories to the Nine-Power Treaty; and Japan reluctantly admitted her diplomatic blunder by declaring that the Foreign Office Statement which started all the pother was to be regarded as "officially non-existent." But this act cost her some effort. The apparently unexpected volume of unfavourable reactions from all quarters called forth a long and elaborate series of "explanations" and "clarifications" which were neither the one nor the other, and which drew the following trenchant comment by the New York *Herald-Tribune* of April 25. "The more the Japanese have to say about the policy they intend to pursue, the bolder and more presumptuous these ambitions appear. On the contrary, the more they have to say about their ambitions, the less courageous and honest is their presentation of them. . . . .The people of the United States are entitled to ask

why Japan, which violated treaties at home, lacks the resolution to renounce them abroad and resorts to hypocrisy, incorrectly calling its policy a Monroe Doctrine for Asia." The Japanese "explanations" were, of course, the usual trite formulae. The Foreign Office spokesman first hastened on April 18 to make it clear that "Japan will not ignore her treaty obligations," that the "Hands Off China" policy "will be applied with such effect as not to conflict with existing treaties, and cases will be dealt with according to their merits." However, in the light of Japan's previous demonstrations of acting "without ignoring treaty obligation," neither China nor any other of the Powers felt the least reassured. And this was particularly so when the same spokesman declared the following day, April 19, that "Japan will take positive action if peace and order are disturbed by international co-operation in assisting China," and that "if force is used by other nations, Japan will resort to force."

Two days later, on April 21, Mr. Hiroshi Saito, Japanese Ambassador to Washington, conveniently forgetting Japan's own highly questionable conduct in connection with the "Nishihara loans," made a specific reference to the U.S. $20,000,000 Wheat and Cotton Credit to China, alleging that the funds thus provided were being diverted to political purposes, and charging that "most of the commercial loans to China eventually find their way into military uses, which have been particularly disturbing to Japan as a neighbour." The Ambassador's lapse of memory apparently embraced also the strenuous efforts being made contemporaneously by his country to force China to enter into an economic and military alliance with her. The arrival, in Shanghai, of prominent Japanese financiers, such as Mr. K. Uchida, representing the Japanese Creditors Corporation for China; Mr. T. Sogo, a director of the South Manchuria Railway, who hailed from Dairen; and Mr. Takayama, president of the Oriental Development Corporation, in April, was prominently reported in the Japanese Press as being concerned with offers regarding the financing of certain railway projects in North China, for linking that region and Inner Mongolia with Manchuria. It is no secret that Japan's primary object is to offset her fear of a Russian attack by forcing China to allow her to make use of the "demilitarized zone" and other parts of North China as a battlefield in the event of another Russo-Japanese war. With this object in view, it is also known that she is exerting pressure upon China to accept a Japanese loan for constructing

a railway from Peiping to Jehol, as well as extending the Peiping-Suiyuan line along the southern border of Outer Mongolia into Sinkiang, so as to out-flank the strongly-entrenched Soviet armies along the Manchurian border. Mr. Saito would appear also to have forgotten Japan's current attempts to squeeze concessions for cotton-growing in Shantung, and, last but not least, the matter of the projected Japan-China-"Manchukuo" bloc. Every one of the above proposed measures is nothing if not political. The Ambassador, like so many others of his countrymen, has apparently been inoculated with the virus of the "double-standard complex"—that what is reprehensible in others is perfectly legitimate, reasonable, and even commendable in Japanese.

On April 22 Mr. Saito surpassed himself by the declaration that "Japan would regard it as an *unfriendly act* if foreign countries ignored her request to be consulted before any transactions with China are concluded"—which reminds one of a similar empty threat of "grave consequences" made by Mr. Masano Hanihara, Japanese Ambassador to Washington, in 1924, in a vain effort to stop the passage of the United States Immigration Law. On April 24 the Japanese Cabinet, magnanimously conceding that Japan "welcomes *cultural* assistance to China," confirmed the "Hands Off China" policy—the same day that Sir Francis Lindley, British Ambassador in Tokyo, handed to the Foreign Minister Mr. Hirota, the British memorandum affirming Great Britain's adherence to the Nine-Power Treaty, and her refusal to recognize Japan's power to alter unilaterally the latter's obligations under existing treaties. The same day Mr. Masayuki Yokoyama, Japanese Consul-General in Geneva, gave out a prepared written statement, which obviously had been approved by the Foreign Ministry, and was even more extraordinary than the efforts of his colleagues in other parts of the world. He declared that Japan "is the natural defender of the peace in Asia," and that the declaration of April 17 "means, above all, to affirm Japan's firm intention to assume responsibility for events in Eastern Asia in close collaboration with the Asiatic Powers." These Powers, he explained, meant Japan, China, India, Siam, "Manchukuo," and the Philippine Islands. In this connection it is well-known that Japan has been casting covetous eyes on the Philippines for a long time, and considers that it is only a question of waiting for an opportune moment before those islands are made to follow the way of the mandated islands of the South Pacific. At any rate, the Philippines hold their destiny more or less in their own

hands, now that they have practically recovered independence. But whereas both China and Siam are independent States, it is curious that Japan's "protective role" in the Far East should encompass also the Dominion of India, where, if the reference books say right, Great Britain still exercises sovereignty. Perhaps the intoxication of success in Manchuria has muddled Japan's learning in history and geography!

General Senjuro Hayashi, the War Minister, also sought his share of the limelight. With a gesture that must have turned his predecessor, General Araki, green with envy, he declared on April 25 the Japanese Army's support for the country's foreign policy, threatened to "chastise" any nation taking "illegal action" in the Far East, and added that "Japan is preparing for such an event." The following day Mr. Hirota, Foreign Minister, explained to General Chiang Tso-Pin, Chinese Minister in Tokyo, that "parts of the Japanese statement were somewhat strongly worded, but the Japanese Government would nevertheless support its substance and its spirit."

Meanwhile, on April 25 Mr. J. C. Grew, United States Ambassador in Tokyo, acting upon instructions from the State Department, called upon Mr. Hirota to request a clarification of the Japanese statement and on the 28th Mr. Hirota communicated officially to the foreign diplomats in Tokyo, requesting them to treat the April 17 statement as "officially non-existent." It is evident that Mr. Grew must have made strong representations at the above-mentioned interview, foreshadowing the American Memorandum delivered to the Japanese Foreign Minister on Sunday, April 29. In this Note Japan's claim of right to previous consultation in matters Chinese was unequivocally rejected, and the standpoint taken that "in the opinion of the American people and the American Government, no nation can, without the consent of the other nations concerned, rightfully endeavour to make its will conclusive in situations which involve the rights, obligations and legitimate interests of other sovereign States."

So, after all the bombast about "Japan's sole responsibility for maintaining the peace in the Far East," threats of "positive action," and "chastisement" of nations "taking illegal action," Japan climbed down, with considerable loss of prestige, because the major Powers had dared to call her bluff.

JAPANESE EXPOSURE OF THE "ASIATIC MONROE DOCTRINE."

Since Japan's unofficial declaration of her claim to hegemony

over Asia, her so-called "Asiatic Monroe Doctrine" has again acquired special prominence. It was frequently cited to justify **the** Japanese invasion of Manchuria, and will, no doubt, be brought up in the future as often as Japan contemplates further encroachments upon China. The argument is evidently intended principally for American consumption, as a hint to that Power to let Japan work out alone her "special mission" in Asia in her own lawless manner, and is intended to be an unassailable defence of Japan's Manchurian adventure on the time-honoured principle that "what is sauce for the goose is sauce for the gander."

Whether that doctrine is sound, even on such a principle, has been questioned in an article entitled "A Discussion on the Asiatic Monroe Doctrine," by no less an authority on international affairs than Professor Kisaburo Yokoda, of the Tokyo Imperial University. The article is an academic and impartial evaluation of the merits of the claims concerning such a doctrine as compared with the original Monroe Doctrine declared by the United States. Its length precludes a full and literal translation, but every effort is made to preserve the meaning which Professor Yokoda intended to convey. The gist of his thesis is as follows:—

"The theory of an 'Asiatic Monroe Doctrine' was propounded soon after the outbreak of the Manchurian affair, and with the withdrawal of Japan from the League of Nations, this Doctrine has gained supporters. But as far back as the World War of 1914-18 such a doctrine had been advocated with great zeal, the year 1915—rendered memorable by the well-known Twenty-One Demands—marking the crest of the movement.

"But is there sufficient foundation for this 'Asiatic Monroe Doctrine*? Has Japan sufficient reason for advocating such a Doctrine? That the United States has her Monroe Doctrine may seem reason enough for the Japanese public to accept its Asiatic counterpart. Nevertheless, the aim of the writer is to discuss the merits of this 'Asiatic Monroe Doctrine.'

"There are three main principles underlying the Doctrine. Firstly, as Japan is situated in Asia, she claims priority to Europe and America in special rights and privileges in that continent, particularly in the neighbouring country of China, including the right of intervention. The Twenty-One Demands and the Lansing-Ishii negotiations were for the purpose of obtaining such rights and privileges, especially in the

territories adjacent to Japan, in Manchuria and Inner and Outer Mongolia. The military interventions in Manchuria in 1925 and 1928 purported to be exercises of this right of intervention.

"Secondly, as Europe and America are incapable of understanding the special conditions of Asia, they should be barred from matters and disputes relating to that continent. On this principle Japan repudiated the Leagued investigation, the United States' protests (which were the corollary to the Stimson statement of policy), and insisted on direct negotiations with China in regard to the conflict over Manchuria.

"Thirdly, Asia is to be disposed of by the Asiatics. The colonies of Europe and America in Asia should be liberated, and the races therein made independent. Thus European and American control will be ejected from this continent through the unification of its races under the leadership of Japan. This is the policy of Greater Asia, or Pan-Asianism.

"The original Monroe Doctrine was clearly enough defined in President Monroe's message to the Senate on December 2, 1823. But as more than a hundred years have passed since then, and various occasions have arisen for its application and interpretation, the interpretation of the U.S. Secretary of State, Mr. Hughes, will be more appropriate as a basis for discussion.

"Briefly, the Doctrine as outlined by President Monroe is *(a)* opposition to the future exploitation of America for colonization by European countries; *(b)* opposition to the continuance of political organizations of European countries in America, and to their interference with, and oppression of, already independent Governments; but the United States is not to interfere with their existing colonies and dominions; and *(c)* the United States is not to interfere with the internal politics of European nations.

"According to Mr. Hughes, in his two speeches on the Monroe Doctrine in 1923, when its centenary was commemorated, there has been very little material change, except that what has previously been applied to European countries only is now applied to all non-American countries. So the aim of that Doctrine is *(a)* to debar non-American countries from infringing the political independence of nations in the two Americas under any pretext; and *(b)* to debar non-American countries from acquiring new territories in the two Americas by any method. Aside from this, the non-interference of the United States with existing

colonies and dominions-of European countries, and with the non-American nations, remains as of old.

"So the original Monroe Doctrine expressed only special concern regarding the destiny of the two American Continents; objection against interference by Europe with the domestic affairs of American nations, and infringement of their independence; but no desire to secure in any State on the two continents special rights and privileges and the right of intervention for the United States. This was made clear in the reply of Secretary of State Lansing, during negotiations for the Lansing-Ishii Agreement of 1917, to Ambassador Ishii's contention about Japan's special rights in China, particularly in Manchuria, on the principle of the 'Asiatic Monroe Doctrine.'

"As to the United States' repeated intervention in the Caribbean territories, in the form of mediation, assistance, non-recognition of rebel Governments, administrative supervision to a certain extent, and temporary military occupation, these actions are to be ascribed to the Caribbean Sea policy, quite distinct from the Monroe Doctrine, as explained in his speeches by Mr. Hughes, and as acknowledged by most people. Moreover, though the Caribbean Sea policy advocates special right of intervention, it does not demand special rights and privileges. But under the 'Asiatic Monroe Doctrine,' Japan demands rights and privileges which not only are not included in the original Monroe Doctrine, but are not even part of the Carbbean Sea policy. That policy—in particular the administrative supervision and military occupation—has met with intense resentment and resistance from the countries around the Caribbean, and has been strongly opposed by other countries and condemned even by many Americans. So, if Japan adopts a similar policy, and even goes far beyond it, is it to be wondered at that she will be subjected to the severest censure?

"At first sight there appears to be a certain similarity between the original Monroe Doctrine and the 'Asiatic Monroe Doctrine/ the one being directed against non-American, the other against non-Asiatic, countries, but there the analogy ends. While the original Doctrine only sought to prevent the oppression of independent countries, the infringement of their independence, and the acquisition of new colonies, its Japanese counterpart is aimed against any kind of intervention. In the Manchurian affair, advocates of the 'Asiatic Monroe Doctrine' reject any form of intervention on the part of the League of Nations or the United

States, although the part that the League or America might take in the settlement of that affair could not in any way be described as oppression, infringement of independence, or acquisition of territories. It is a fallacy, therefore, to say that the one Doctrine is founded on the other.

"There have been occasions when, in her disputes with other American countries, the United States has submitted the issue to arbitration by Europeans. Opposition to investigation by the League and mediation from America in connection with the Manchurian issue is therefore again quite at variance with the spirit and aims of the original Monroe Doctrine.

"Another of the aims of the 'Asiatic Monroe Doctrine' is the liberation of European and American controlled territories in Asia, whereas the original Doctrine is only concerned with 'future' exploitation for colonization. As to the existing colonies of Europe established in America, the United States' attitude of non-intervention has been explicitly declared. In this respect, too, there is no agreement between the two Doctrines.

"From the above it will be seen that, looked at from whatever viewpoint, the 'Asiatic Monroe Doctrine' cannot be said to be founded on the original; and in its present form it cannot be rightly advocated at all.

"This is not to say that an 'Asiatic Monroe Doctrine' is not permissible in any form whatsoever, but the only right form is that which is in full harmony with the original; that is, to prevent non-Asiatic nations from infringement of the political independence of existing sovereign States in Asia, and from securing new acquisitions of territories. If, under these principles, Japan should oppose the activities of non-Asiatic nations by formulating an 'Asiatic Monroe Doctrine' she would be resisting and defending against aggression. Infringement of independence and acquisition of territories are not tolerated by present international opinion. Such a Monroe Doctrine would be proper and righteous; it could be applicable not only to Asia or America, but to the whole world.

"The original Monroe Doctrine was, at first, only contained in President Monroe's message to the Senate, and no formal recognition of it has been obtained in treaties with other countries. Consequently it did not have any standing in international law, but as it has been applied on many occasions, during a period of over a hundred years, it may be regarded as having secured informal international recognition. Further-

more, Article 21 of the League Covenant stipulates that the Covenant should not impair the validity of that Doctrine; and with this indirect recognition by the League, the Doctrine must be accepted as recognized by the whole world. Furthermore, in Arbitration Pacts of the United States with twenty odd nations, any disputes to which the Doctrine is applicable are to be excluded from arbitration. In this way its legal standing has been strengthened.

"On the other hand, the 'Asiatic Monroe Doctrine' has not been openly advocated by Japan. It has not had previous opportunities for practical application so as to consecrate it by usage; no indirect treaty recognition has been accorded to it; and therefore it lacks international standing. It is nothing more than a political policy of one country, and is not entitled to general acceptance and respect by other nations."

With Professor Yokoda's conclusions every honest person must heartily agree. The article is not only interesting and welcome as a judicious expression of opinion on the part of a Japanese scholar; but serves a salutary purpose in uncovering the truth in a world where most of the so-called neutrals have honestly or dishonestly professed to "understand Japan's noble purpose"—to quote Foreign Minister Hirota. It is refreshing to find among the Japanese nation, intoxicated as it so largely is by military and diplomatic successes, men who are able to appreciate an international question on its proper merits. That the public esteem the Professor enjoys in Japan must be unbounded goes without saying—otherwise how could he have escaped the corrective treatment meted out to the late Dr. Nitobe, one-time prominent champion of peace (but who afterwards degenerated into a mere special pleader for Japanese Militarism), for making a frank and unbiassed expression of opinion upon an issue of national importance.

CHAPTER X

"MANCHUKUCT-AN ASSET OR LIABILITY?

"If the United States found its adventure in policing a handful of Caribbean islands and republics unduly expensive and lacking in returns, what is the prospect for this little island empire, already on the edge of financial collapse, which wants to try the experiment of swallowing half a continent?" When the *Christian Century* posed that question, counselling the United States not to be embroiled in a quarrel with Japan, it undoubtedly voiced a good deal of truth, and described a situation which Japanese militarism is afraid to look in the face, because it has so seriously committed itself by the Manchurian Adventure that there remains no alternative but to go on, and hope for the best.

Does Japan stand to lose or gain by her incursion into the Chinese provinces in the North-East? In Japan, with reason dethroned by systematic propaganda,, and liberal thinking awed into silence by ruthless suppression of so-called "dangerous thoughts", a canvassing of public opinion will very probably return a decidedly affirmative answer. Upon careful analysis, however, the unbiassed will have much reason to disagree with such a verdict.

EMIGRATION NO SOLUTION TO JAPAN'S POPULATION PROBLEM

In the forefront of the Japanese pleas in justification of the violent seizure of Chinese territory, stands the *lex necessitatis*—the necessity of finding outlets for her surplus population, as well as food and raw materials for her people and industries. Primarily economic in nature, will these problems find their solution in Japan's action in regard to Manchuria? An acute problem already taxing the best brains in Japan is that presented by the high birth-rate prevailing in that country. Covering a total area of only 260,704 square miles—Japan proper being only 147,651 square miles, or a little larger than Poland—the total population of the entire realm is 90,396,043, and 64,450,005 in Japan proper. These figures were obtained by the October 1930 census, and represent an increase of nearly five million in Japan proper and two million elsewhere since the previous census of 1925. Arguing that little more than

15 per cent of the total superficial area is cultivable, making the Japanese share per capita of arable land the smallest in the world, and that such area under intensive cultivation is already producing to maximum capacity, the island economists have declared that an outlet for the million a year increase must be found, preferably in Manchuria.

In actual fact, however, Japanese immigration into Manchuria as a solution to the surplus population problem is not proving very successful, or even satisfactory. Can Manchuria absorb even 100,000 immigrants annually—to take only a fraction of the annual increase of mouths requiring food and hands requiring work? Despite every form of State assistance and liberal subsidies from their Government, as well as the filching of the best lands from Chinese farmers by the Japanese invaders and their "Manchukuo" puppets, to be turned over to Japanese immigrants, the latter have already found the "Paradise of the Kingly Way" far from coming up to expectations, and large numbers of disillusioned men have returned home. Whichever way the Japanese may choose to look at it, Manchuria offers no solution to their population problem. Since "Manchukuo" came into being, two official experiments in emigration have been made, groups of 500 settlers being sent in each case to Jungfengchen and Chihuli, in Kirin Province. The results were simply negative, and led to a spate of discussions in Japan expatiating on the difficulties of Japanese emigration to "Manchukuo". The objections are the usual and well-known ones—discrepancy between the local standard of living and that of the Japanese immigrants, and reluctance of the Japanese to endure the rigours of the Manchurian climate. Nevertheless, surveys of the richest areas in the valleys and lowlands have been continued, and plans for larger settlements drafted. In June 1934, reports coming from Tokyo and "Manchukuo" have given a definite outline of the Japanese immigration policy. Hailar, Kiamutze, and Heiho, in the most fertile part of Heilungkiang, have been set apart for colonization by armed immigrants, 10,000 of whom have been chosen from among ex-service men. Subsidies to this number, it is declared, will be provided by the "Manchukuo" Government to the tune of $8,000,000,—this being regardless of, or notwithstanding, the fact that in the 1934-35 fiscal year, the puppet State faces a Budget deficit of approximately $95,000,000! When the cost of settling a mere 10,000 Japanese in the choicest areas amounts to $8,000,000, it may well be imagined that neither Tokyo nor the puppet State can muster the

necessary resources, even if they have the inclination thus to solve the surplus population problem.

The fact of the matter is that, low as is the cost of living among Japanese, and however hard-working they may be, Chinese settlers in Manchuria leave them far behind both in capacity to live on practically next to nothing, and in ability to toil and moil to the limits of human endurance—the stuff that pioneer settlers should be made of. The Japanese agrarian policy pursued in the territory, namely forcible eviction of Chinese farmers from the best lands, lawfully occupied and cultivated, and turning the same over to Japanese and Koreans, is furthermore seriously aggravating the bandit problem by driving men who have been deprived of their lawful occupations to become outlaws. Human nature being what it is, resentment is naturally vented against the alien settlers, who consequently find themselves taking their lives in their hands every time they go out to till their lands. (Since this was written, confirmation of the unsatisfactory state of affairs in Manchuria—the failure of "model settlers" to make good, the resort to banditry by desperate farmers, and the wholesale graft and corruption existing in the puppet State—comes in the form of a despatch from Tokyo to the *North China Daily News*, and is reproduced as *Appendix VI* in this volume.)

This Japanese agrarian policy is being carried out under the guise of "land nationalization". Under orders from their masters, the puppet regime has commenced large-scale confiscation of private lands, particularly in the seven fertile districts in the northeast of Han (Kirin Province). It is estimated that 100,000,000 *fang* of land—equivalent to approximately 280,000 acres—will be taken over at about $1 an acre, and given to the Japanese Colonization Office for allotment to their immigrants. Landowners refusing to accept this ridiculous valution of their property are driven out by military force, resulting in numerous clashes which rigid censorship has prevented the outside world from knowing. The most revolting affair was that occurring in the vicinity of Sansin, in the Han area. In the middle of March, 1934 one Colonel Iizuka led a company from the Ilan-Chiamussu garrison to dislodge certain peasants who refused to obey the eviction orders, but the "Manchukuo" garrison of Tulunshan, under command of one Li Yu-Chu, joined the peasants, and assisted in the annihilation of the Japanese forces. The following month, the Japanese in revenge made a combined land and air attack, devastated the entire area of Tulunshan, burned seventeen

villages and massacred all those who were unable to make good their escape. No figures of the deaths can be computed, but reliable data indicate that over 1,000 men, women, and children were slaughtered, eclipsing the Fushun Massacre of the summer of 1932.

INEPTITUDE OF THE JAPANESE IMMIGRANTS.

Then there is the question of the indigenous Manchurian crops, such as soya-beans, kaoliang, groundnuts, and other products of which the Japanese know nothing, or next to nothing. Specializing in rice-growing, in which they are admittedly very proficient, and which cannot be carried on in the Manchurian lowlands without costly and extensive irrigation schemes, they have been long accustomed only to their own agricultural methods, involving generous irrigation, liberal use of fertilizers, and intensive cultivation on small plots reaping high returns. The Japanese immigrant in Manchuria will have to turn to the indigenous crops, change his farming methods, do generally with little irrigation, and farm large tracts giving a low yield. Japanese adaptability and versatility, however abundantly displayed in other spheres, have yet been conspicuously absent among emigrants, and whether or no they turn out to be good colonizers in Manchuria is very problematical.

Another factor to be taken into account in anticipating the failure of Japanese colonization schemes in Manchuria—that is to say, of those which are not subsidized heavily—is the mentality of the Japanese settlers themselves. Attracted by the prospect of getting rich quickly by methods which involved no greater trouble than the robbery, murder, or eviction of the wretched inhabitants, all of which can be done not only with impunity but also under the protection of the Japanese Imperial Kwantung Army, the influx of Japanese has so fax been composed mainly of undesirables, from whose minds no thought is further than that of earning an honest living by the sweat of their brows. Their conception of farming is to live as conquering heroes, and cultivate their plot with the labour of a dozen or more Chinese hirelings, comfortably sheltered themselves from heat and cold, and from the sun and rain. However, even if the type of immigrant were completely changed, there are yet other considerations. Before 1868, Japan's self-isolation was so complete that her people were prohibited from leaving the islands under any pretext whatsoever. Tradition is intensely difficult to uproot. Despite her complete modernism in other respects, the age-old dislike of emigration still exercises a strong influence as may be proved by the fact

that official returns, based on the 1930 census, reveal that the total Japanese emigration to foreign lands is negligible. Concentrating in a few defined areas, in South Manchuria, Brazil and other South American countries, the Hawaiian and Philippine Islands and the United States, they aggregate only half a million, or exactly half of the annual population increase of the race. These figures show eloquently that the solution of their problem is not emigration, but birth control.

JAPAN'S ADVERSE BALANCE OF TRADE.

Chief among Japan's economic difficulties is that presented by an adverse balance in her foreign trade, which has been in that chronic condition since the end of the Sino-Japanese War of 1894-95, with the exception of the War-years 1915 to 1918. The excess of imports over exports from 1919 to the first half of 1933, for instance, reaches the enormous total figure of 3,655,000,000 Yen. Japan has tried in vain to export enough goods and sell enough services abroad to pay for her import of goods, hence her aggregate annual expenditure abroad has exceeded her income from foreign sources. Being essentially an agricultural and industrial country, she has no treasure to export as payment for her purchases. Therefore, she must find some way to increase the value of her sales of goods and services to other States in relation to her consumption of the latters' goods and services. One result of this has been her present invasion of the world markets, which she has flooded with her low-priced manufactures. Economic war gives rise to as much hostile feeling as a clash of arms, and Japan's threat to the economic livelihood of a, number of influential world States seems tending inevitably to destroy the goodwill of those countries towards her. Though not assessable in figures, this is none the less a concrete loss.

Japan's adverse trade balance is due mainly to her own scarcity of raw materials, of which she is one of the largest importers in the world; the bulk of the raw material imports consisting of basic necessities, which cannot be diminished without causing serious economic disruption in several important industries. Among such imports are rubber, skins, bones, pulp, raw cotton, machinery, wool, wheat, coal, beans and bean-cake, iron and steel, mineral oil, and various ores. According to her trade figures she must obtain from abroad her entire requirements of rubber, cotton, wool, nickel and aluminium, about 90 per cent of her steel, and 75 per cent of her iron ore, lead, zinc, tin, oil and chemicals. With no bullion to offer as payment, and restriction of imports out of

the question, only two courses remain for combatting the dangers of excess imports, namely, greater industrialization of Japan, and exploitation of the natural resources of Manchuria. As regards the further industrialization of Japan, already highly industrialized, this can only be proceeded with comparatively slowly. Extensive and rapid development of industry must inevitably cause great distress among farmers, who are crushed under the burdens of heavy taxes and have been generally neglected in the Japanese national policy, but can be ignored no longer.

"MANCHUKUO" RESOURCES TO ASSIST JAPANESE INDUSTRIES.

Of more importance is the question how far realization of the proposed Japan-"Manchukuo" economic bloc would be of benefit to Japan by remedying the latter's deficiency in raw materials. It is obvious that since the soundness of Japan's finances depends on the finding of a cure for an excess of imports, Manchuria's exploitation would reap Japan no advantage unless she is able to obtain privileges there accorded to no other country. How can she reconcile such a fact with the "Open Door Policy", attenuated though that doctrine has been by non-observance since the Japanese invasion?

But frankly assuming that there is no "Open Door"—which is in fact being closed—still Manchuria can never adequately fill all the needs of Japan for raw materials. Japan's import and export trade with that region in recent years does not exceed 5 per cent of her total world trade figures. Can she afford to antagonize the other countries, to whom she looks for the bulk of the supplies needed to keep her industries going, by a purely selfish policy in Manchuria? Japan's biggest item of import from Manchuria has been for a long time past beans, bean-cake, and oil-cake, used for food, forage, and fertilizer, but the value of these imports will keep on decreasing as chemical fertilizers are being utilized to take their place. Manchuria is an importer of wheat, and so cannot spare any for Japan. Maize, kaoliang, and other cereals do not figure largely in Japan's imports, as the Japanese subsist on rice. Rubber, tin and chemicals must be obtained from elsewhere. As to minerals, Manchuria has abundance of coal, though good coking coal, of which Japan stands badly in need, is not so plentiful. Moreover, Japan's large vested interests in coal-mining enterprises have to be reckoned with, and their opposition to the entry of cheap Manchurian coal will have to be overcome, if coal is to become an important item in Japan's import trade. At present Japanese mine-owners are campaigning energetically against the import of Fushun

coal. Manchurian shale oil deposits are certainly extensive, but there is no free oil; and extraction from shale is economically an unprofitable process. Of iron-ore, too, there is plenty, but with a few exceptions it is generally considered that the quality is too poor *to* support an economically sound iron and steel industry of reasonable proportions. Therefore, economically—as distinct from war and emergency conditions —the exploitation of Manchuria's natural resources is not so promising as some optimistic accounts would lead one to expect.

As a market for Japanese manufactured goods, Manchuria is still comparatively unimportant, because of the poverty of the inhabitants, 90 per cent of whom eke out no more than a bare existence from the soil. Until their standard of living is raised much higher than it is, the consumption of Japanese goods will show no appreciable advance. The Japanese agrarian policy, too, which aims at sacrificing the native masses for the benefit of a mere handful of immigrants, can only tend to make the plight of the peasant more miserable. Since Manchuria is allegedly to serve as Japan's economic "life-line/' to balance her exports and imports, the latter must sell to that region more than she buys from it. The creation of an adverse balance of trade in Manchuria would then be an unavoidable result, and the marketing of Japanese goods there come under even worse conditions.

MANCHURIAN FOREIGN TRADE.

As a matter of fact, the sacrifice of Manchuria to Japanese economic interests has already brought about an unfavourable turn in the conditions of the former's foreign trade. As an agricultural region, its wealth depends almost entirely on the volume of its exports of natural produce, which should always exceed the value of its imports if its finances were to remain sound, and the purchasing power of the inhabitants unimpaired. For over twenty years Manchuria's foreign trade has maintained a favourable balance, the excess of exports over imports being very considerable during the last decade. But the position was completely changed in 1933. In the first half of that year, out of a total turnover value of 468,700,000 silver dollars, exports amounted to 235,400,000 as against 233,300,000 of imports; whereas for the second half, with a total turnover of 469,100,000 siver dollars, exports fell to 187,900,000, while imports jumped to 281,200,000. In other words, during the latter half of the year exports dropped by 50 per cent, and imports increased by 50 per cent. It is interesting to compare this unprecedented feature of

Manchurian trade in 1933 with conditions prevailing the previous year, when Manchuria fully lived up to its character as an agricultural region by selling produce almost six times the value of the goods it purchased.

To a very large extent Japan is responsible for this turning-point in the foreign trade relations of Manchuria. Increased import duties, imposition of quotas and other devices introduced recently in the British Empire, Italy, France, Holland, and other countries have seriously curtailed the former markets for Japanese manufactures, and consequently huge quantities of goods have been diverted to Manchuria, far in excess of actual requirements. How this glut upon the market is to be disposed of is no easy problem. On the other hand, while Japan is consigning increasing quantities of goods to Manchuria, her purchases from that territory have fallen more than those of any other countries. Consuming 100,800,000 silver dollars worth of Manchurian produce in the first half of 1933, Japan only took 71,900,000 in the second half. Trade figures for this year, too, indicate that the adverse trend in Manchurian trade will continue. For example, in March, exports reached $32,645,124, and imports $38,278,704; showing an import excess of $5,629,580 for the month. Exports to Japan comprised 44 per cent of the total exports, while imports from Japan constituted 67 per cent of the total import trade. Should this process continue, it can only accentuate Manchuria's poverty, and render the marketing of Japanese goods there more difficult.

Another feature of the trade now going on between Japan and Manchuria is the quantity of capital commodities, comprising various kinds of machinery for textiles and other manufactures, sold to Manchuria. When native industries are established, and competitive lines to Japanese articles, put on the market, it will soon be discovered that Manchuria is not an unqualified asset to Japan after all. Finally, even should Japan desire to purchase as much as possible of Manchuria's raw materials, she will find it impossible to do so. Various countries with whom she has been having profitable trade relations are threatening to impose a quota on Japanese imports unless Japan takes steps to buy more raw materials from them, so as to make their respective exports to her more nearly equivalent to their imports.

JAPANESE LOSSES OVER MANCHURIA.

In view of the above circumstances, it will be realized that Manchuria cannot provide a lasting solution to Japan's population and industrial problems—at most an expensive, temporary palliative.

The Japanese attack on Mukden in September, 1931, immediately started a Chinese boycott of unprecedented proportions and effectiveness. The average annual value of Japan's total exports between 1925 and 1930 was about 2,000,000,000 Yen. Out of this total, exports to the United States amounted to 42½ per cent, and those to China and other parts of Asia (where the bulk of Japan's trade was handled by Chinese merchants) comprised altogether 35 per cent, or 700,000,000 Yen a year. But after the invasion of Manchuria, the monthly average exports to China had dropped by no less than 64 per cent at the end of 1931. The following table shows how the economic life of Japan was affected by the dislocation of her China trade:

		1930.	1931.	1932.	1933*
Exports	(in Y.1,000.)	260,826	155,750	141,178	56,310.
Imports	(in Y.1,000.)	161.701	145.697	102.746	46,823.

First 6 months only.

This diminution of foreign trade would not be so serious had Japan's finances been in a healthy state, but they are not. Since 1921 (with the exception of 1923) the Budget had shown annual deficits which rose to over 263,000,000 Yen in 1929, while of the reserve fund of 640,000,000 Yen lying in the State coffers in 1921, nothing remained in 1931. Budget figures before and after the Manchurian Invasion provide eloquent testimony of the morass into which Japanese finances are sinking. The expenditures passed for 1931-32, that is, before the conflict arose, amounted to 1,476,875,000 Yen; but the subsequent figure for 1932-33 became 2,012,165,000 Yen; and that for 1933-34, 2,309,415,000 Yen. The last figure is an increase of 14.8 per cent over that of 1932-33, which again is 36 per cent higher than that of 1931-32. The budget for 1934-35 reached the colossal sum of 2,112,113,482 Yen, which, added to the basic expenditure of the nation, will bring up the total bill to approximately 2,800,000,000 Yen—a figure unprecedented in Japan's history, and representing more than double the estimated total ordinary revenue of the State.

Military operations in Manchuria have already cost upwards of 500,000,000 Yen, and these emergency additional expenditures show no signs of decreasing. While Japan has achieved a temporary victory in Manchuria, her occupation is going to prove most expensive. Thus, to conserve her illegal gains, she has found it necessary to appropriate

over 900,000,000 Yen for ordinary and extra-ordinary expenditure during the year 1934 on the Army and Navy—or, more than 45 per cent of the entire Budget total.

Then again, an immediate outcome of the Manchurian Adventure was the reaction upon Japan's international credit, which previously had stood high, because she was probably the only nation in the world that had never yet repudiated a foreign financial obligation. Japanese bonds in foreign markets dropped as much as 50 per cent in the first few months of the conflict, and though they ha,ve made an appreciable recovery since, Japan cannot now borrow abroad except at ruinously heavy rates. This fact is significant of the critical position of Japanese finance. The Yen, too, has sagged to about 40 per cent of its former value—a fact which causes very heavy loss in exchange to meet interest payments on foreign debts. Such interest on the bonded debt—of which 8,000,-000,000 Yen is domestic and 2,000,000,000 foreign—at 5 per cent amounts to 500,000,000 Yen a year. And her total tax revenue in 1933-34 amounted to only 690,000,000! The total loan projects for 1933-34, according to the 1934 Japan Year Book required to meet the extra-ordinary deficit, ran up to 1,011,800,000 Yen. In order to meet the demands of the 1934-35 Budget a further 1,000,000,000 Yen worth of bonds will have to be unloaded on the nation, although discussions in the Diet reveal that the bulk of the previous issue, to the value of over 1,000,000,000 Yen, still remain in the liands of the Bank of Japan, which has been unable to dispose of the scrip. This precarious state of Japan's finance is directly and entirely the outcome of her actions since September, 1931. So far the losses have been very considerable, and with more to come. This, too, at a time when she can least afford it. Money has been poured into Manchuria like water into a sieve; and there are little prospects of an adequate return for years to come, if ever. It is more than a mere possibility that before Manchuria can be developed profitably, the financial collapse of Japan or some similar catastrophe will have happened. A reasonable conclusion, therefore, is that all Japan's legitimate aims could have been more effectively realized by peaceful measures, and that in pursuing a hot-headed policy, Japan has blundered badly, and may find in Manchuria, instead of a life-line, a grave.

CHAPTER XL

LOOKING BACKWARD-AND AHEAD.

IN the autumn of 1934 two groups of foreign visitors were touring Manchuria—both parties travelling under the kindly care of the Japanese Government. One consisted of fourteen American journalists who were invited to cross the Pacific by the Japan Press Association and spend about a month travelling through Japan, Korea, and Manchuria. The ostensible promoters of this expensive junketing expressed their hope that the trip would go a long way toward bringing about "further co-operation" between American and Japanese "moulders of opinion." The journalists and their wives travelled across the Pacific on the steamer which took a Prince and Princess back to Japan after a seven months' tour of the world, and full advantage was taken of this unique opportunity for making contact with the Imperial Family, another member of which had graciously consented to become "Honorary President" of the Japan Press Association and subsequently received the American journalists in audience.

About ten day later there arrived in Yokohama another group of trans-Pacific travellers—from England this time—headed by Baron Barnby and representing the Federation of British Industries. The members of this little party were quite openly the guests of the Foreign Office in Tokyo, and the avowed object of their visit was to ascertain by personal inspection the possibilities of Anglo-Japanese "co-operation" in the industrial development of "Manchukuo." Before leaving London, however, members of this party had in Press interviews spoken rather freely their opinions on the subject of the British Government's recognition of "Manchukuo," and these comments attracted very favourable attention in Japan, where it was naturally assumed that such statements warmly advocating recognition were the shadows of coming events. Subsequently vigorous repudiations were put out by the Foreign Office in London and by other authorities that the trip to Manchuria by representatives of the Federation of British Industries had any political meaning whatever or any official standing or backing; but in spite

of these denials the impression originally produced upon some minds still remained—such impression being that the F.B.L Mission to "Manchukuo" was intended in some way to sound popular as well as political sentiment in Great Britain and the Far East on the matter of extending British recognition to the "independent State."

In October, 1934, there were persistent rumours in Japan and in Great Britain that as a result of the visit of the F.B.L Mission to Manchuria substantial orders had been secured for British manufacturers, and that tentative arrangements had been made for British financiers to advance loans for the development of Manchuria. Questions addressed to the Government in the House of Commons as to whether the Treasury would on principle withhold its approval of British loans to the unrecognized "independent" State of "Manchukuo" were answered to the effect that any such project would be dealt with "on its merits"—a rather vague reply which was not considered altogether satisfactory. A few days later, however, Sir John Simon was questioned in Parliament about the F.B.I. Mission, and the Secretary for Foreign Affairs then definitely declared that Great Britain's attitude to "Manchukuo" was still bound by the principles laid down in the League resolution of February, 1933. Sir John Simon thus made it clear that there was no intention of extending British recognition to the puppet State. It would therefore seem to follow that there can be no question of the Treasury giving its approval to a British loan to "Manchukuo," and about the middle of November a categorical official denial that Great Britain was contemplating loans to Japan for "Manchukuo" was given to Mr. Quo Tai-chi, Chinese Minister in London. The visit of the Chinese Minister to the Foreign Office had followed a wave of rumours linking Anglo-Japanese political and economic activity with the naval conversations then going on in London between British, American and Japanese experts. Mr. Quo made inquiries regarding a number of reports which had been given wide circulation, and particularly sought enlightenment with regard to reports that Japan was aiming at British recognition of her "special interests" in China and her "special position" in the Pacific. In return for such recognition, it had been rumoured that Japan promised not to encroach upon British interests in China and the Pacific. An authoritative British statement explained to the Chinese Minister in London that some of these reports may have originated in the fact that, on the verge of commencing the naval talks, Japan had communicat-

ed to Great Britain a desire to maintain the friendliest Anglo-Japanese relations, whereupon Great Britain had merely requested the Japanese Government to elucidate.

But this is getting away from the subject of tours of inspection in Manchuria by foreign observers under Japanese guidance. The F.B.I. Mission made no secret from the first of its intention to co-operate with Japanese business interests; but seeing that it was the decided desire of the American journalists to reach an understanding of all current problems touching Japanese and American interests, and so remove any shadow of doubt or misunderstanding likely to affect relations between the two countries, it was only reasonable that their "investigation" of Manchurian affairs should be pushed a little further and prosecuted a little more independently. In other words, as experienced newspapermen they should show a desire to "check up" on the information so kindly presented to them by their Japanese hosts concerning the facts of the case. But though the American journalists may possibly have heard of China at some time, the majority of them made no effort to get in touch with any of its representative citizens. Four members of the party determined to continue their travels and see something of other parts of China, but the others declined to extend their observations to any place not selected for them by their Japanese hosts. Whether it is possible to have an intelligent understanding of matters affecting Japanese and American interests without knowing anything at all about the Chinese point of view—especially where the question of Manchurian "independence" is concerned—may be left to the intelligent reader's own judgment. Strangely enough, the delegation representing the Federation of British Industries also studiously ignored Chinese opinion and sentiment in making plans to survey the business possibilities of "Manchukuo." The delegates first went to Tokyo to discuss the situation with Japanese diplomats and business-men, spent about a week in Manchuria under the wing of kindly Japanese officials, and were then escorted back to Tokyo to have a few final words with their courteous hosts—but China was most carefully avoided by the F.B.I, delegation. Seeing that Baron Barnby and his colleagues appeared to be so very anxious to have it made clear that there were no "politics" about their visit to Manchuria, it is all the more curious that, having passed through Japan and Korea on their way to see the new "paradise," they did not pass through China on the way out. Knowing (as they must have done) what

Chinese feeling is about Manchuria, the action of this British delegation in avoiding all and any contact with China seems a strange way of demonstrating the "non-political" ambitions of the travellers. It is, in fact, calculated to confirm the very suspicions which the members of the party were so anxious to dispel, and while not an official mission or in any way associated with the British Government, the F.B.L attitude on this matter must have caused considerable embarrassment to the Foreign Office in London, whose opposition to recognition of "Manchukuo" has been more than once made very clear.

It has been shown, in preceding chapters, that friction between China and Japan in regard to Manchuria goes back for many years—long before the "incident" in 1931 which marked the climax of Sino-Japanese tension. It has' been shown that the charge against China of bad faith in the matter of building "parallel" railways is unfounded, and since so much of the trouble in Manchuria has originated in disputes about railway construction, this point is most material. It has been shown that there is in Japan a very powerful faction which has ideas about the expansion of Japanese influence in Asia which, if carried into effect, will have most serious reactions upon world peace. There is little to add to what has been already written which is likely to convince any reader who may be still in doubt about the rights and wrongs of what is called "the Manchurian question," or the wider issues included in what are known as "Sino-Japanese problems." But before concluding this survey of a long and complicated story it is worth while recalling some observations made about Manchuria as it was by one who has since been loud in his praise of Manchuria as it now is—Mr. Henry W. Kinney, author (among other similar works) of a book entitled "Modern Manchuria," published shortly before Marshal Chang Tso-Lin met his tragic and "mysterious" end, already referred to in this volume. So much has been heard from Japanese sources of the conditions prevailing in Manchuria prior to the establishment of the present regime that it will surprise those who base their opinions solely on such misinformation to read what Mr. Kinney had to say in 1928 about the prosperity of that part of China which—according to Mr. R. Endo, Chief of the General Affairs Board in "Manchukuo"—was in such a terrible condition that "the people had been groaning with no hope of improvement." Here is Mr. Kinney's impression of Manchuria before Japanese bombs

and bayonets established the "independence" of those Chinese provinces:—

> "It is one of the best proofs of the phenomenal prosperity of Manchuria that it has not only been able to bear but has progressed under such adverse conditions. But such progress seems virtually inevitable. The vast and fertile regions continue to attract the millions of Chinese war sufferers from China Proper. The situation presented, namely, a tremendous area of rich, uncultivated land, lying within a day's journey of an almost inexhaustible labour supply, is probably unprecedented in the history of the world. All that is needed to facilitate this is Chinese co-operation, with foreign initiative and capital to turn the almost limitless resources of Manchuria into a refuge for the hapless masses of starving North China, so that they may transform this territory into one of the richest and most important of the productive regions of the world.

Mr. Kinney (who in those days, as he is now, was associated with publicity work on behalf of the South Manchuria Railway, which the reader will scarcely need reminding is practically a branch of the Japanese Government) declared in 1928 that "while chaos reigns supreme in the rest of China" things were very different in the Three Eastern Provinces, where Chinese, Japanese, and other foreigners had co-operated in developing the resources of that territory. Having praised the happy state of affairs in Manchuria, as compared with conditions "in the rest of China," Mr. Kinney expressed this opinion of the future:—

> "The development of Manchuria's resources, accompanied by an increase in its population, which will become prosperous through wresting rich products from a hitherto largely idle soil, is the aim of Japan in Manchuria. This will give her raw materials for her factories, and the great hordes of immigrants from Shantung and Chihli who settle as pioneers in Manchuria every year, then rising from impoverished coolies to prosperous farmers, are creating an increase in the world's buying population from which not only Japan, but all commercial nations will benefit. An auspicious beginning has already been made. Merchants of many nations are already operating and profiting from the great work of civilization which is being carried on, and for which Japan, and her principal instrument, the South Manchuria Railway Company, may justly claim the greater measure of credit."

And as for the suspicions existing in some quarters as to Japan's real intentions in that part of China where there was "phenomenal prosperity," Mr. Kinney was most righteously indignant that anyone

could believe that the ultimate aim of Japan was to take control of China's territory:—

> "There is no question of conquest, nor even of colonization on a large scale. From the very beginning Japan decided to work out her future by means of industry and commerce,—not by war. She must make the money which she needs *to* pay for the foodstuffs which she must import to feed her rapidly increasing population. She will do this by developing her industry and commerce. In these days of * strenuous world competition, she must seek markets where she may enjoy the greatest natural advantages. These lie principally in Eastern Asia, and Manchuria furnishes one logical field. Thought of conquest is out of the question for many reasons: it would be contrary to Japan's established policy of peaceful co-operation with other Powers, of which she gave a significant demonstration at the Washington Conference; it would cause a hatred of Japan on the part of all the rest of China which must result in the loss of a most important and promising market—so the game would not be worth the candle; finally, it has been conclusively demonstrated that Japanese employed in a small way as farmers, small merchants, and the like cannot compete with the Chinese, whose standard of living is much lower and whose energy, patience and thrift are inexhaustible."

The above quotations, it must be noted, are taken from a book written by an American citizen who for many years has been associated with the Japanese enterprise known as the South Manchuria Railway. In publishing this book, "Modern Manchuria," in 1928 Mr. Kinney was acting on behalf of the S.M.R. in an endeavour to "tell the world" the truth about conditions in the Three Eastern Provinces, and to show how the prosperity of that territory was being developed by Chinese, Japanese, and other foreign co-operation. Yet in a special supplement to the London *Daily Telegraph*, published in August, 1934, the Chief of the General Affairs Board in "Manchukuo" declares that "the safety of life and property was utterly denied to the inhabitants of Manchuria," who were "groaning with no hope of improvement" until at last driven in 1931 to overthrow the War-Lord who exploited the people so cruelly and wickedly. "Their lives and properties are no longer subject to tyranny," and the fundamental aim of the new regime in Manchuria is the realization of a paradise on earth of perpetual peace and prosperity."

Now, if Mr. Endo's description of Manchuria prior to 1931 is correct, then Mr. Kinney's account of conditions then prevailing is wrong, but if the South Manchuria Railway publicity-man has the facts **correctly,**

then the "Manchukuo" Chief of the General Affairs Board is wrong. Clearly Mr. Endo and Mr. Kinney cannot both be right. Both are trying to make out a good case for Japan's policy in Manchuria, but whereas Mr. Kinney was lyrical in praise of the peace and prosperity established in that part of China's territory, and called attention to the contrast it made with the rest of China, Mr. Endo is equally vocal in declaring that conditions in Manchuria were so terrible and "with no hope of improvement" that 30 million people simply had to rise in their wrath and overthrow the man under whose tyranny they were groaning!

This conflict of evidence from Japanese and pro-Japanese witnesses is easily explained. Mr. Kinney in 1928 wanted to show those interested in the matter that there was no likelihood of anything happening in Manchuria such as actually did and has happened in and since September, 1931. Mr. Kinney was bent on showing that, whereas in the rest of China there was chaos, in Manchuria there was peace and prosperity, thanks to Japan's benevolent influence in that region. All that was needed to convert the Three Eastern Provinces into one of the richest and most important productive regions of the world was China's co-operation, and nothing was further from Japan's mind than to conquer, or even to colonize that part of China's territory .... Then came the "incident" of September 18, 1931 (concerning which the reader is referred to *Appendix V.*, which throws some most interesting sidelights on that historic event, already dealt with in Chapter II) and it became necessary to make out an entirely new case on behalf of Japan.

Obviously the Kinney thesis would no longer serve to gain sympathy and support for Japanese policy. If Manchuria was peaceful and phenomenally prosperous, as described by Mr. Kinney, what excuse could be offered for Japan giving support to those who wished to overthrow the existing Administration? If Manchuria was the outstanding exception to the chaos which reigned supreme in the rest of China, as asserted by Mr. Kinney, why should Japan lend her army to support those who wished to upset the established order of things? Clearly, the Kinney argument—however convincing it might have seemed when first presented to the world—would not serve to support the new case which had to be made out, so "Modern Manchuria" was discreetly put at the back of the top shelf of the bookcase, and Mr. Endo and some hundreds of other apologists blandly explained that Japan's aim

in Manchuria was simply to establish "a paradise on earth" in **place** of **the** tyranny, wickedness, and corruption formerly existing, and **under** which 30 million people were groaning—but whose groans had not been heard and whose distress had not been seen by Mr. Kinney when writing a book on behalf of the South Manchuria Railway, though he had seen the steady development of a "paradise" in the Three Eastern Provinces where Mr. Endo and others saw only tyranny, cruelty, misery, and poverty "with no hope of improvement"! To Mr. Kinney progress in Manchuria was "inevitable," and only needed China's cordial co-operation to expedite the process; to Mr. Endo and the post-1931 apologists progress in Manchuria was "impossible" until China's influence in her Three Eastern Provinces was destroyed! In no other way could Japan's forceful intervention in Chinese affairs in September, 1931 be "explained." Whether the explanation carries conviction the reader can judge for himself.

And having looked backward, what of the future? At the moment (November, 1934) Japan herself appears to be rather doubtful about the course of events. There has been a bitter controversy in that country relating to the control of Japanese administrative organs in Manchuria. The real point at issue was whether military or civilian influence should prevail in the Cabinet, and suggestions made by the Ministry of War that Japan's Ambassador to "Manchukuo" should be given wider authority was vigorously opposed by the Foreign Office and the Department of Overseas Affairs. After a struggle lasting for nearly three months a 'compromise" was reached whereby the Minister for War got his own way. Japan's "diplomatic" business in Manchuria will be handled by a soldier, who presumably will pay more attention to the War Minister than to the Minister for Foreign Affairs. Just what this preference will mean as applied to developments in Manchuria remains to be seen. According to Mr. Endo, that territory "formerly infested with bandits, is now secured from that menace. Peace and order reign supreme," in which case there seems to be no point in having a military man in charge of Japan's diplomatic affairs in "Manchukuo." But there must be some reason for putting a soldier in supreme command of Japanese interests, and what that reason is may be revealed in due course. Announcement was made in Tokyo in October, 1934 that **General** Hayashi, the War Minister, would himself assume the post of Governor of the Bureau of Manchurian Affairs to be established within **the**

Japanese Cabinet. Thus military control over "Manchukuo," the "independent" State, is not only exercised by Japan, but is in the hands of the Minister for War as head of an independent political organ. Meanwhile vigorous efforts were being made by Japan to induce foreign capitalists to invest in Manchurian enterprises and, it is declared that the "open door" policy will be observed, so that there need be no fear of any attempt to monopolize business in favour of Japanese interests.

THE CLOSING "OPEN DOOR."

In October, 1934, however, British and American oil interests were startled to learn that measures were being taken to put into operation in Manchuria the oil monopoly which had been foreshadowed as far back as February. Representations on the subject made by the British, American, and Netherlands Governments to Japan were met by the bland explanation that these protests had been sent to the wrong address, and in November a spokesman of the foreign office told foreign newspaper correspondents in Tokyo that the matter was "a closed issue" so far as Japan was concerned. The position at the moment is that the Manchuria Petroleum Company, with a capital of Yen 5,000,000 (one-fifth of which comes from the "Manchukuo" treasury and the balance from Japanese sources) proposes to take control of the oil industry in Manchuria, and undertake the refining of crude oil. The oil monopoly law states that gasoline, kerosene, light and heavy oils, and oil substitutes which are later to be refined shall become a State monopoly. Their manufacture, import, and export shall only be permitted under licence and, when manufactured or imported, must be sold by the "Government." A supplementary clause states that the date of enforcement of the monopoly shall be fixed by the "Manchukuo" Ministry of Finance. A second law, to be effective simultaneously with the first, provides that the "Government" shall purchase all equipment actually used by importers and dealers, if it is registered with the authorities within a month of the date on which the monopoly law is enforced. The prices to be paid shall be determined by a committee specially set up for the purpose.

Rumours were circulated of an oil embargo by foreign concerns against "Manchukuo," but an official of a local oil firm in Mukden declared that his company was (in November, 1934) continuing to supply oil according to contract. Although the foreign firms had been hit hard by the oil monopoly, he said no embargo could be undertaken unless the respective Governments undertook to cover the losses suffered

by the oil firms in conducting the embargo. Great expenses have already been incurred by the oil companies in developing the "Manchukuo" market, and the new regulations prejudiced these investments, he stated. Meanwhile official quarters in London declare that they have not yet been informed of the promulgation of an oil monopoly, but point out that, according to all available information, such a monopoly appears to be contrary to the "open door" policy.

In the midst of the excitement and indignation aroused by this threatened infringement of a loug-standing principle guaranteed by treaty there was some correspondence in the London *Times* about the wisdom—and the justice—of withholding British recognition of "Manchukuo." Some argued that as a matter of business policy Great Britain should abandon the attitude that the State of "Manchukuo" did not exist, lest others take the initiative and secure economic advantages in Manchuria. Others asserted that international law did not permit the non-recognition "of a new independent and civilized State," but Lord Lytton, head of the Commission of Inquiry sent by the League of Nations to Manchuria following the Mukden "incident" of September, 1931, came forward as a vigorous defender of the principle of non-recognition. His defence was made in reply to a letter in the *Times* in which Dr. Herbert Austin Smith, Professor of International law at the University of London, claimed that Great Britain was at entire liberty to determine the question of recognition of "Manchukuo" in accordance with her own judgment. The difficulty in the case of "Manchukuo," Dr. Smith continued, arose from the fact that the League of Nations passed "an ill-considered resolution binding members not to extend recognition to the new State." The Earl of Lytton, replying to this argument, reminded the Professor that the difficulty in respect of "Manchukuo" was not created by the resolution passed at Geneva, but by the events of September, 1931, which resulted in the detachment of the Three Eastern Provinces from China, to which country they legally and unquestionably belong. It is obvious, he continued, that no country which accepted that particular course at Geneva would be justified in making a unilateral departure from it. "I am glad to note," concluded the Earl of Lytton, "that this view is accepted by Sir John Simon, the Foreign Secretary."

There we leave the subject, pending further developments in regard to the oil monopoly and the new "Manchukuo" tariff, which appears to

be definitely designed to give Japan substantial advantages in trading with Manchuria. And merchants are not the only people who find "Manchukuo" a pleasant place to live in, for the *Ko\umin,* a leading newspaper in Tokyo, declares that "there is almost no Japanese police-officer in Kwantung who does not make a fortune of about Yen 20,000 to Yen 30,000 during his tenure of three years."

VIEWS OF FOREIGN OBSERVERS.

The following extracts from articles recently appearing in British and American newspapers are of interest as giving some impressions by foreign observers as to current conditions in Manchuria. Mr. Reginald Sweetland, of the *Chicago Daily News,* says that banditry in "Manchukuo", despite all glowing reports to the contrary, is worse today than it has been for several years, and it is common talk that these bandits, particularly in the south-east and north-east, are being supplied with arms and munitions by Japanese arms smugglers. Japanese political advisers, some of them of an exceptionally high quality and some of them of low integrity, have become officials even to the point that some of them are village tax-collectors. It is practically impossible to meet or obtain interviews with any "Manchukuo"—that is, Chinese—officials unless such meetings or interviews are arranged through Japanese and with Japanese consent; and, finally, this seems to point to the conclusion that "Manchukuo" to all intents and purposes is a Japanese colony in everything except name.

The correspondent of the *Manchester Guardian,* Mr. H. J. Timperley, says:—"Political interference with the normal course of competitive trade is now threatening foreign commercial interests in 'Manchukuo* at almost every turn. 'Hsingking' officials hardly bother even to pretend that any serious effort is being made to carry into effect the 'Manchukuo* Foreign Minister's declaration of March 12, 1932, that 'with regard to the economic activities of the peoples of foreign nations within the 'State* of Manchuria the principle of the 'open door' shall be observed". What they now say, in effect, is:—'When the rest of the world is placing restrictions upon imports from Japan and "Manchukuo", why should we be the only country to observe the Open Door principle?'

"At present 80 per cent, of the retailing of refined oil is in British or American hands, Japanese and Soviet interests sharing the remaining 20 per cent. Out of a total of approximately 28,000,000 gallons imported

into Manchuria last year, a British concern, the Asiatic Petroleum Company, supplied 10,624,000 gallons. It is clear that, despite the protests which have been lodged in Tokyo by the Embassies concerned, the 'Manchukuo' authorities intend to bring about a readjustment of this situation in favour of Japanese oil interests.

"The moral of this has not been lost upon foreign mining and other interests which are studying investment possibilities in 'Manchukuo*. There would appear to be no reason why what happened in the case of the Dairen company's automobile project, when the Japanese military authorities cancelled a permit given *to* open an assembling-plant operated under joint Japanese and American control might not be repeated with even more disastrous results in the case of a gold-mine or some equally expensive venture. Hence the policy adopted in most foreign quarters is to wait until the economic policy of "Manchukuo' has become more clearly defined than at present, when the frequently clashing interests of at least five different authorities have to be taken into account. These rival authorities are the Kwantung army (who have the biggest say of all), the Japanese Embassy (representing the wishes and views of the Japanese Government), the South Manchuria Railway Company, the Kwantung Government and, fitting somewhere or other into this confused picture, the 'Manchukuo' Government itself. Pulling strings from behind are chauvinistic Japanese business elements seeking to turn every possible opportunity to immediate advantage. It is clear that the final form of Japanese control over Manchuria has not yet been decided and that foreign investment will remain a risky business until this question is settled."

Finally, there is the following opinion of Dr. Ben Dorfman, expressed in a review of two years of the "Manchukuo" regime, published by the Foreign Policy Association, New York, in September, 1934:—"Japan has seized and now dominates a large section of territory which the world—inclusive of Japan—formerly recognized as an integral part of China. No effective measures were taken by China or any other Power to check Japan's actions. Japan then caused it to be established as an 'independent' State. In the economic sphere, Japan has been attempting to fashion the new State's economy so that it will enhance Japan's military strength and complement its industrial requirements. According to many competent observers, however, Japan has greatly over-estimated the importance of Manchuria's resources and market. To

carry out its economic programme, moreover, Japan has been obliged to spend and invest enormous sums of money in Manchuria's railroads, industrial enterprises, etc. Much of the investment is no doubt justified on economic grounds, but a large fraction is not. Certain of the railroads and industries, for example, primarily serve strategic rather than economic ends. It is doubtful that all of these latter can function except at a loss. The number of economically unsound enterprises which Japan can compel 'Manchukuo' to support is definitely limited. This is especially the case now that 'Manchukuo' has lost—probably permanently—a large share of its profitable export market for soya beans. Therefore, if Japan goes beyond certain limits in shiping 'ManchukuoY economy along inherently unsound lines, 'Manchukuo' will remain a permanent burden on Japan. Precisely what these limits are is difficult to ascertain at present. Possibly Japan has already exceeded them. Many competent observers, moreover, entertain grave doubts that a country in Japan's present financial predicament can afford to invest such enormous amounts of money in enterprises which, even though economically sound cannot pay for themselves for decades. Whether Japan has paid and is paying too high a price for the additional military security which control of 'Manchukuo' allegedly provides, however, is a question which Japan must answer for itself."

APPENDICES

I. THE PACT OF PARIS: THREE YEARS OF DEVELOPMENT.

By THE HON. HENRY L. STIMSON.

(An address by the Secretary of State of the United States of America, before the Council on Foreign Relations, New York, City, August 8, 1932),

A few years ago the United States joined with France in the initiation of the Pact of Paris—the so-called Briand-Kellogg Pact for the renunciation of war. A year later, in 1929, the Pact became formally effective, and it has now been adhered to by sixty-two nations. Scarcely had its ratification been announced on July 24, 1929, than it became subjected to the first series of difficult challenges which are still going on. In the defence of the Pact in these tests the American Government has been a leader. I believe it would be appropriate, in the light of this three years' history, to take stock now of what the Pact is, the direction in which it is developing, and the part which we may hope that it eventually will play in the affairs of the world.

Events have been moving so rapidly since the World War, and we have been so close to them, that it is difficult to obtain an adequate perspective. I think, therefore, that it would be well to summarize briefly the background out of which this great Treaty came and against which it must be judged.

Prior to the World War many men had had visions of a war-less world and had made efforts to accomplish the abolition of war, but these efforts had never resulted in any very general or effective combinations of nations directed towards that end. During the centuries which had elapsed since the beginnings of international law, a large part of that law had been a development of principles based upon the existence of war. The existence and legality of war were to a large extent the central fact out of which these legal principles grew and on which they rested. Thus the development of the doctrine of neutrality was predicated upon the duty of a neutral to maintain impartiality between two belligerents. This further implies that each belligerent has equal

rights and is owed equal duties by the neutral. It implies that the **war** between them is a legal situation out of which these rights and obligations grow. Therefore, it is contrary to this aspect of international law for the neutral to take sides between belligerents or to pass a moral judgment upon the rightfulness or wrongfulness of the cause of either—at least to the extent of translating such a judgment into action. So long as a neutral exercised this strict impartiality, international law afforded to him, his commerce, and his property, certain rights of protection. And during the generations which preceded the World War much of the growth of international humanitarianism was associated with attempts, not to abolish war but to narrow and confine its destructive effects by the development of these doctrines of neutrality. Their chief purpose was to produce oases of safety for life and property in a world which still recognized and legalized the destruction of human life and property as one of the regular methods for the settlement of international controversies and the maintenance of international policy.

The mechancial inventions of the century preceding the World War, and the revolutionary changes in industrial and social organization by which they were accompanied, have however, produced inevitable effects upon the concept of war which I have described. Communities and nations became less self-contained and more interdependent; the populations of industrialized States became much larger and more dependent for their food supplies upon far distant sources; the civilized world thus became very much more vulnerable to war. On the other hand, with these mechanical advances modern armies became more easily transportable and therefore larger and were armed with far more destructive weapons. By these changes on either side the inconsistency of war with normal life became sharper and more acute; the destructiveness of war to civilization became more emphatic; the abnormality of war became more apparent. The laws of neutrality became increasingly ineffective to prevent even strangers to the original quarrel from being drawn into the general conflict.

Finally there came the World War, dragging into its maelstrom almost the entire civilized world; tangible proof was given of the impossibility of confining modern war within any narrow limits; and it became evident to the most casual observer that if this evolution was permitted to continue, war, perhaps the next war, would drag down and utterly destroy our civilization.

Before this war was over it began *to* be called "a war to **end** war," and at the Peace Conference at Versailles the victorious nations entered into a covenant which sought to reduce the possibility of war to its lowest terms. The League of Nations Covenant did not undertake entirely to proscribe wars between nations. It left unrestricted a zone in which such wars might occur without reprobation. Furthermore, it provided under certain circumstances for the use of force by the community of nations against a wrongdoer as a sanction. It created a community group of nations pledged to restrict war and equipped with machinery for that purpose. Some of this machinery notably Article II which provides, on a threat of war, for the calling of a conference for purposes of conciliation, has on several occasions proved a valuable influence in the prevention of war. Another important and beneficent result of the League organization has been the regular conferences which are held between the representatives of different nations. These discussions have often proved to be effective agencies for the settlement of controversies and thus for war prevention. By them there also has been developed, particularly among the nations of Europe, a community spirit which can be evoked to prevent war. In all of these ways there has been produced the beginning of a group sentiment which is wholly at variance with some of the old doctrines in respect of war.

Nine years later, in 1928, came the still more sweeping step of the Pact of Paris, the Briand-Kellogg Pact. In this Treaty substantially all the nations of the world have united in a covenant in which they renounced war altogether as an instrument of national policy in their relations with one another and have agreed that the settlement of all disputes or conflicts of- whatever nature among them should never be sought except by pacific means.

The change of attitude on the part of world public opinion towards former customs and doctrines which is evidenced by these two treaties, is so revolutionary that it is not surprising that the progress has outstripped the landmarks and orientation of many observers. The treaties signalize a revolution in human thought, but they are not the result of impulse or thoughtless sentiment. At bottom they are the growth of necessity, the product of a consciousness that unless some such step were taken modern civilization would be doomed. Under its present organization the world simply could not go on recognizing war, with its constantly growing destructiveness, as one of the normal

instrumentalities of human life. Human organization has become too complex, too fragile, to be subjected to the hazards of the new agencies of destruction turned loose under the sanction of international law. So the entire central point from which the problem was viewed was changed. War between nations was renounced by the signatories of the Briand-Kellogg Treaty. This means that it has become illegal throughout practically the entire world. It is no longer to be the source and subject of rights. It is no longer to be the principle around which the duties, the conduct and the rights of nations revolve. It is an illegal thing. Hereafter when two nations engage in armed conflict either one or both of them must be wrongdoers—violators of the general treaty. We no longer draw a circle about them and treat them with the punctilios of the duellists' code. Instead we denounce them as law-breakers.

That very act we have made obsolete with many legal precedents and have given the legal profession the task of re-examining many of its codes and treaties.

The language of the Briand-Kellogg Treaty and the contemporaneous statements of its founders makes its purpose clear. Some of its critics have asserted that the Pact was really not a treaty at all; that it was not intended to confer rights and impose liabilities; that it was a mere group of unilateral statements made by the signatories, declaring a pious purpose on the part of each, of which purpose that signatory was to be the sole judge and executor, and for a violation of which no other signatory could call him to account.

If such an interpretation were correct, it would reduce the Pact to a mere gesture. If its promises conferred no rights as between the members of the community of signatories, it would be a sham. It would be worse than a nullity, for its failure would carry down the faith of the world in other efforts for peace.

But such critics are wrong. There is nothing in the language of the Pact nor in its contemporaneous history to justify any such an interpretation. On its face it is a treaty containing definite promises. In its preamble it expressly refers to the "benefits furnished by this treaty" and states that any signatory Power violating its promise shall be denied those benefits. The correspondence of the framers of the Treaty shows that they intended it to be a treaty which would confer benefits, which might be lost by a violation thereof. During the period when the Treaty was under negotiation Mr. Kellogg declared in a public address made

before this very body on March 15, 1928: "If war is to be abolished it must be through the conclusion of a specific treaty solemnly binding the parties not to resort to war with one another. It cannot be abolished by mere declaration in the preamble of a treaty." (Speech of March 15, 1928, before the Council of Foreign Relations at New York.) In drafting the Treaty, Mr. Kellogg rightly and tenaciously fought for a clear, terse prohibition free from any detailed definitions or reservations. In his own words, he sought a "treaty so simple and unconditional that the people of all nations could understand it, a declaration which could be a rallying point for world sentiment, a foundation on which to build a world peace." (Speech of March 28, 1930, before the League for Political Education at New York.) Any other course would have opened the door to technicalities and destructive limitations.

As it stands, the only limitation to the broad covenant against war is the right of self-defence. This right is so inherent and universal that it was deemed unnecessary even to insert it expressly in the Treaty. It is also so well understood that it does not weaken the Treaty. It exists in the case of the individual under domestic law, as well as in the case of the nation and its citizens under the law of nations. Its limits have been clearly defined by countless precedents. A nation which sought to mask imperialistic policy under the guise of the defence of its nationals would soon be unmasked. It could not long hope to confuse or mislead public opinion on a subject so well understood or in a world in which facts can be so easily ascertained as they can be under the journalistic conditions of today.

Again, the Briand-Kellogg Pact provides for no sanctions of force. It does not require any signatory to intervene with measures of force in case the Pact is violated. Instead it rests upon the sanction of public opinion, which can be made one of the most potent sanctions in the world. Any other course, through the possibility of entangling the signatories in international politics, would have confused the broad and simple aim of the Treaty and prevented the development of that public opinion upon which it most surely relies. Its efficacy depends upon the will of the peoples of the world to make it effective. If they desire to make it effective, it will be irresistible. Those critics who scoff at it have not accurately appraised the evolution in world opinion since the **World War.**

From the day of its ratification on July 24, 1929, it has been the determined aim of the American Government to make this sanction of public opinion effective and to insure that the Pact of Paris should become a living force in the world. We have recognized the hopes which it represented. We have resolved that they should not be disappointed. We have recognized that its effectiveness depends upon the cultivation of the mutual fidelity and good faith of the group of nations of the world. We have been determined that the new order represented by this great Treaty shall not fail.

In October 1929 President Hoover joined with Mr. Ramsay Macdonald, the Prime Minister of Great Britain, in a joint statement at Rapidan in which they declared "Both Governments resolve to accept the Peace Pact not only as a declaration of good intention, but as a positive obligation to direct national policy in accordance with its pledge." That declaration marked an epoch.

In the summer of 1929 hostilities threatened between Russia and China in northern Manchuria. Both nations were signatories of the Pact. It was the most difficult portion of the world in which such a challenge to this Treaty could have occurred. Yet we at once took steps to organize public opinion in favour of peace. We communicated with the Governments of Great Britain, Japan, France, Italy, and Germany, and the attention of the Governments of Russia and China was formally called to their obligations under the Treaty. Later during the same autumn when hostilities actually broke out and military forces of Russia had crossed the Manchurian boundary and attacked the rorces of China, our Government communicated with all of the signatories of the Pact, suggesting that they urge upon Russia and China a peaceful solution of the controversy between them. Thirty-seven of these nations associated themselves with our action or signified their approval of our attitude. Although the aspect of the controversy had been extremely threatening and the forces of Russia had penetrated nearly a hundred miles within the boundary of China, the restoration of the *status quo ante* was accepted by both parties and the invading forces were promptly withdrawn.

Two years later, in September 1931, hostilities broke out between the armed forces of Japan and China in the same quarter of the world, Manchuria, and the situation was brought to the attention of the Council of the League of Nations, which happened to be then in session at

Geneva. Our Government was invited to confer as to the bearing of the Pact of Paris upon the controversy. We promptly accepted the invitation, designating a representative to meet with the Council for that purpose; and the attention of the two disputants was called to their obligations under the Pact by France, Great Britain, Germany, Italy, Spain, Norway, and the United States—those nations, other than the United States, being members of the Council then in session.

The hostilities between Japanese and Chinese armed forces continued and protracted efforts towards conciliation were made by the Council of the League, which had taken jurisdiction of the matter. The American Government maintained its attitude of sympathetic co-operation with the efforts of the Council and acting independently through the diplomatic channels endeavoured to re-enforce the Council's efforts at conciliation. Finally, when in spite of these efforts Japan had occupied all of Manchuria, the American Government formally notified both that country and China, on January 7, 1932, that it would not recognize any situation, treaty, or agreement which might be brought about by means contrary to the covenant and obligations of the Pact of Paris. Subsequently, on March n, this action of the American Government was endorsed by the Assembly of the League of Nations, at a meeting in which fifty nations were represented. On that occasion under circumstances of the utmost formality and solemnity, a resolution was adopted, unanimously, Japan alone refraining from voting, in which the Assembly declared that, "it is incumbent upon the members of the League of Nations not to recognize any situation, treaty or agreement which will be brought about by means contrary to the Covenant of the League of Nations or to the Pact of Paris."

These successive steps cannot be adequately appraised unless they are measured in the light of the vital change of point of view which I have described in the opening of this address. They were the acts of nations which were bound together by a new viewpoint towards war, as well as by covenants which made that viewpoint a reality. Except for this new viewpoint and these new covenants, these transactions in far-off Manchuria, under the rules of international law heretofore obtaining might not have been deemed the concern of the United States and these fifty other nations. Under the former concepts of international law when a conflict occurred, it was usually deemed the concern only of the parties to the conflict. The others could only

exercise and express a strict neutrality alike towards the injured and the aggressor. If they took any action, or even expressed an opinion it was likely to be deemed a hostile act towards the nation against which it was directed. The direct individual interest which each nation has in preventing a war had not yet been fully realized, nor had that interest been given legal recognition. But now under the covenants of the Briand-Kellogg Pact such a conflict becomes of legal concern to everybody connected with the Treaty. All the steps taken to enforce the Treaty must be judged by this new situation. As was said by M. Briand, quoting the words of President Coolidge: "An act of war in any part of the world is an act that injures the interests of my country." The world has learned that great lesson and the execution of the Briand-Kellogg Treaty codified it.

Thus the power of the Briand-Kellogg Treaty cannot be adequately appraised unless it is assumed that behind it rests the combined weight of the opinion of the entire world united by a deliberate covenant which gives to each nation the right to express its moral judgment. When the American Government took the responsibility of sending its note of January 7 last, it was a pioneer. It was appealing to a new common sentiment and to the provisions of a treaty as yet untested. Its own refusal to recognize the fruits of aggression might be of comparatively little moment to an aggressor. But when the entire group of civilized nations took their stand beside the position of the American Government, the situation was revealed in its true sense. Moral disapproval, when it becomes the disapproval of the whole world, takes on a significance hitherto unknown in international law. For never before has international opinion been so organized and mobilized.

Another consequence which follows this development of the Briand-Kellogg Treaty, which I have been describing, is that consultation between the signatories of the Pact when faced with the threat of its violation becomes inevitable. Any effective invocation of the power of world opinion involves discussion and consultation. As long as the signatories of the Pact of Paris support the policy which the American Government has endeavoured to establish during the past three years of arousing a united and living spirit of public opinion as a sanction of the Pact, as long as this course is adopted and endorsed by the great nations of the world who are signatories of that Treaty, consultations will take place as an incident to the unification of that opinion. The course which

was followed in the Sino-Japanese controversy last winter conclusively proves that fact. The moment a situation arose which threatened the effectiveness of this Treaty, which the peoples of the world have come to regard as so vital to the protection of their interests, practically all the nations consulted in an effort to make effective the great peaceful purposes of that Treaty.

That the Pact thus necessarily carries with it the implication of consultation has perhaps not been fully appreciated by its well-wishers who have been so anxious that it be implemented by a formal provision for consultation, but with the clarification which has been given to its significance by the developments of the last three years, and the vitality with which it has been imbued by the positive construction put upon it, the misgivings of these well-wishers should be put at rest. That the American people subscribe to this view is made clear by the fact that each of the platforms recently adopted by the two great party conventions at Chicago contain a plank endorsing the principle of consultation.

I believe that this view of the Briand-Kellogg Treaty which I have been discussing will become one of the great and permanent policies of our nation. It is founded upon conceptions of law and ideals of peace which are among our most cherished faiths. It is a policy which combines the readiness to co-operate for peace and justice in the world, which Americans have always manifested, while at the same time it preserves the independence of judgment and the flexibility of action upon which we have always insisted. This policy must strike a chord of sympathy in the conscience of other nations. We all feel that the dreadful lessons taught by the World War must not be forgotten. The determination to abolish war which emerged from that calamity must not be relaxed. These aspirations of the world are expressed in the great peace Treaty. It is only by continued vigilance that it can be built into an effective living reality. The American people are serious in their support and evaluation of the Treaty. They will not fail to do their share in this endeavour.

II. TREATY RELATING TO PRINCIPLES AND POLICIES CONCERNING CHINA—WASHINGTON, FEBRUARY 6, 1922.

ARTICLE I.—The Contracting Powers, other than China, agree:

(1) To respect the sovereignty, the independence, and the territorial and administrative integrity of China;

(2) To provide the fullest and most unembarrassed opportunity to China to develop and maintain for herself an effective and stable Government;

(3) To use their influence for the purpose of effectually establishing and maintaining the principle of equal opportunity for the commerce and industry of all nations throughout the territory of China;

(4) To refrain from taking advantage of conditions in China in order to seek special rights or privileges which would abridge the rights of subjects or citizens of friendly States, and from countenancing action inimical to the security of such States.

ARTICLE IL—The Contracting Powers agree not to enter into any treaty, agreement, arrangement, or understanding, either with one another, or, individually or collectively, with any Power or Powers, which would infringe or impair the principles stated in Article I.

ARTICLE III.—With a view to applying more effectually the principles of the Open Door or equality of opportunity in China for the trade and industry of all nations, the Contracting Powers, other than China, agree that they will not seek, nor support their respective nationals in seeking:—

(a) any arrangement which might purport to establish in favour of their interests any general superiority of rights with respect to commercial or economic development in any designated region of China;

(b) any such monopoly or preference as would deprive the nationals of any other Power of the right of undertaking any legimate trade or industry in China, or of participating with the Chinese Government, or with any local authority, in any category of public enterprise, or which by reason of its scope, duration, or geographical extent is calculated to frustrate the practical application of the principle of equal opportunity.

It is understood that the foregoing stipulations of this Article are not to be so construed as to prohibit the acquisition of such properties or rights as may be necessary to the conduct of a particular commercial, industrial, or financial undertaking, or to the encouragement of invention and research.

China undertakes to be guided by the principles stated in the foregoing stipulations of this Article in dealing with applications for economic rights and privileges from Governments and nationals of all foreign countries, whether parties to the present Treaty or not.

ARTICLE IV.—The Contracting Powers agree not to support any agreements by their respective nationals with each other designed to create spheres of influence or to provide for the enjoyment of mutually exclusive opportunities in designated parts of Chinese territories.

ARTICLE V.—China agrees that, throughout the whole of the railways in China, she will not exercise or permit unfair discrimination of any kind. In particular there shall be no discrimination whatever, direct or indirect, in respect of charges or of facilities on the ground of the nationality of passengers or the country from which or to which they are proceeding, or the origin or ownership of goods or the country from which or to which they are consigned, or the nationality or ownership of the ship or other means of conveying such passengers or goods before or after their transport on the Chinese railways.

The Contracting Powers, other than China, assume a corresponding obligation in respect of any of the aforesaid railways over which they or their nationals are in position to exercise any control in virtue of any concession, special agreement, or otherwise.

ARTICLE VI.—The Contracting Powers, other than China, agree fully to respect China's rights as a neutral in time of war to which China is not a party: and China declares that when she is a neutral she will observe the obligations of neutrality.

ARTICLE VII.—The Contracting Powers agree that, whenever a situation arises which in the opinion of any one of them involves the application of the stipulations of the present Treaty, and renders desirable discussion of such application, there shall be full and frank communication between the Contracting Powers concerned.

ARTICLE VIII.—Powers not signatory to the present Treaty, which have Governments recognized by the Signatory Powers and which have treaty relations with China, shall be invited to adhere to the present

Treaty. To this end the Government of the United States will make the necessary communications to non-signatory Powers and will inform the Contracting Powers of the replies received. Adherence by any Power shall become effective on receipt of notice thereof by the Government of the United States.

ARTICLE IX.—The present Treaty shall be ratified by the Contracting Powers in accordance with their respective constitutional methods, and shall take effect on the date of the deposit of all the ratifications, which shall take place at Washington as soon as possible. The Government of the United States will transmit to the other Contracting Powers a certified copy of the *proems-verbal* of the deposit of ratifications.

The present Treaty, of which the French and English texts are both authentic, shall remain deposited in the archives of the Government of the United States, and duly certified copies thereto shall be transmitted by that Government to the other contracting Powers.

In faith whereof the above-named Plenipotentiaries have signed the present Treaty.

Done at the City of Washington the Sixth day of February, One Thousand Nine Hundred and Twenty-Two.

III. THE ACTIVITIES OF JAPANESE NATIONALS AND TROOPS IN MANCHURIA AND MONGOLIA.

A SECRET MEMORANDUM BY BARON SHIMPEI GOTO.

THERE are many things regarding Manchuria which the Japanese at home find it difficult to understand. Ordinarily one would think that although there might be disorder in China, Manchuria and Mongolia, which are in the Japanese sphere of influence, should be in a state of peace. But the contrary seems to be true. After the death of Yuan Shih-Kai China proper has become comparatively quiet, while Manchuria and Mongolia, with all the Japanese influence established there, have become even more disturbed and less peaceful. That is unthinkable.

It is strange to realize that the disorder in Manchuria has resulted in the violence of Chinese troops against the Japanese troops, and in insult upon the Japanese flag. It is even more strange that the Japanese troops should have found no proper measures in dealing with such violence of Chinese troops. We deeply deplore the loss of prestige of our Empire.

I visited Manchuria in the early part of June of this year (1916), and heard of Yuan Shih-Kai's death while I was at Mukden. In early September I visited Manchuria, and learned the truth about the Chengchiatun incident and its related events. I then began to understand the cause of the unthinkable situation which I ha.ve been referring to, and the real underlying issues. All I can say is that wc have failed in our diplomacy. If we do not decide upon an adequate policy in our dealings with China, in order to extricate ourselves from the difficulties, there will be great danger in store for us.

In the pages that follow I shall endeavour to present the facts in their true light, so as to enable our enlightened fellow-countrymen to study them carefully.

Secrecy should be maintained in diplomatic relations, and facts which are to our disadvantage should be kept hidden. But facts in Manchuria are so obvious to the Chinese people, as well as to the Consuls

and nationals of other foreign countries, who even obtain substantial evidence of these facts, that it is no longer possible to keep them secret, and still more impossible to score any triumph in diplomacy.

If at this moment, therefore, we endeavour to base our diplomatic policy on secrecy, I am afraid we shall suffer unforeseen consequences. It is best that we allow facts to speak for themselves, realize where we have failed, and on that basis decide upon a new orientation.

INSTIGATION OF THE ANTI-YUAN SHIH-KAI MOVEMENT.

The following is an account of the sequence of events in Manchuria in their essential aspects. At first, although the Japanese Government persuaded Yuan Shih-Kai to postpone his monarchical coup, it did not try to bring any pressure to bear upon him. There was no result, and we were compelled to instigate a widespread anti-Yuan Shih-Kai movement in different parts of China. That this second step was resorted to by the Japanese Government in order to realize its original intention is an open secret, and there is clear evidence to support this conclusion.

Such events as the attempt of the Chinese revolutionaries to capture the cruiser Chao-Ho at Shanghai, and the outbreak of revolt in Shantung, all serve as evidence of Japan's policy in the instigation of the anti-Yuan Shih-Kai movement in China. As I did not personally witness these events, I shall not go into details, but confine myself only to the development of events in Manchuria, regarding which there can be found also concrete evidence.

As the Imperial Japanese Government cherished the intention of restoring Prince Su to the Manchu throne, and of utilizing the Imperialists to overthrow Yuan Shih-Kai by an uprising in Manchuria, Kihachiro Okura made a loan of one million yen to Prince Su to be secured on the Prince's personal property. According to the loan agreement, an advance of Yen 300,000 was to be paid over to the Prince first, in order to enable him and his followers to carry out the sinister plot immediately, while the remaining sum of Yen 700,000 was to be kept by the Imperial Japanese Government for their supply in the future. Colonel Doi, a Japanese Commissioned Officer and Commander of the 5th Regiment, was then ordered to bring with him a large number of Japanese non-commissioned officers to organize and plan for the anti-Yuan armies.

RECRUITING AND TRAINING BANDITS AT DAIREN.

Since the Imperial Government and Colonel Doi were not well acquainted with the real conditions in Manchuria, and owing to their

connection not being particularly close with the Japanese *ronin* (Japanese whose profession is to disturb the peace in China), the efforts of the Japanese authorities to cause an uprising in Manchuria proved a, complete failure. They did succeed, however, in mobilizing more than two thousand Imperialists at Dairen in the spring of 1916, and in organizing them into an army called the Chin-Wang Chun. But in spite of the large sums of money spent by Japan, not all of these bandits or coolies were faithful to her.

This Imperial Army was trained by Japanese officers in the Liao-tung Leased Territory for several months. All this was well-known to Chinese and foreigners. That the Japanese Government had a hand in it there was no doubt.

Before the Chin-Wang Chun trained by us could be utilized, Yuan Shih-Kai died on June 5th *(sic),* and the object for which the army was raised no longer existed. If the army must be organized for carrying on the campaign against Yuan, then Yuan's death should have made conditions quite different, and Japan should have immediately disbanded the Chin-Wang Chun. But she hesitated to do so. Various difficult problems then arose.

The first of these difficulties was that Prince Su approached the Japanese Government to demand payment of the remaining Yen 700,000 of the Okura loan. This placed the Japanese Government in a very awkward position, as it had already spent large sums of money in supplying arms, furnishing military officers, and paying the *ronin.* Secondly, the Chin-Wang Chun, which had not yet: been disbanded and were kept idle for a long time, gradually returned to their real profession, and created disturbances in the surrounding districts of Dairen. Even the Japanese police failed to bring them under control. The trouble was not effectively suppressed until a detachment of Japanese troops was sent from Liushutun. It was the Japanese Government itself which sowed the seeds of disturbance in the Leased Territory, and brought no profit but disorder. Such action on the part of the Imperial Government was, to say the least, ridiculous.

JAPAN ENLISTS A I D OF MONGOLIAN BANDITS.

During Yuan Shih-Kai's regime the Japanese Government, in order to secure the co-operation of the Manchu Imperialists, further planned to enlist the assistance of the Mongolian bandits. To that end negotiations were carried on with Bapuchapu, (chief of Mongolian bandits in

Eastern Inner Mongolia, whose two sons have been staying in Japan as guests of the Japanese Government since their father was shot to death by Chinese soldiers some years ago). During the Russo-Japanese War Bapuchapu rendered valuable services to the Japanese troops in Manchuria, and it was for this reason that Japan again turned to him for aid in her efforts to create trouble in Chinese territory. An agreement was signed whereby Japan agreed to supply the bandit chief and his followers with arms and ammunition.

While on their way to Bapuchapu through Harbin, these arms and munitions were discovered by the Russian gendarmes there, and were not allowed to proceed further. It was only after prolonged negotiation with the Russian authorities that the gendarmes agreed to release the contraband, which finally reached the Mongolian chief. With this incident another link was added to the long chain of evidence which showed that the Japanese Government had been trying all along, since the establishment of the Chinese Republic, to encourage undesirable characters to plot against the stability of the infant democracy.

Although the Japanese firearms finally reached Bapuchapu, yet the circumstances then prevailing were by no means favourable to an immediate march of the Mongolian bandits southward. After the death of Yuan Shih-Kai the Japanese Government, which was still looking for a fresh opportunity to create trouble in Manchuria and Mongolia, made no attempt to disband the Chin-Wang Chun at Dairen, nor to prevent the descent of Bapuchapu's followers southward. Suddenly the Mongolian bandit chief appeared with his rabble in Manchuria, bringing terror and disorder to every place through which they passed.

ORIGIN OF THE CHENGCHIATUN INCIDENT.

After the appearance of the Mongolian bandits in Manchuria, the Chinese troops there made many punitive expeditions against them, but without much success. It was only to be expected that the Chinese troops were very bitter towards Japan, who was mainly responsible for the presence of the Mongolian bandits in that part of the country. This indignation on the part of the Chinese soldiers soon led to the Chengchiatun incident, when they fired on Japanese soldiers at Chengchiatun and surrounded their barracks. That this incident would not have taken place had Japan not brought the Mongolian bandits into Manchuria does not admit of the slightest doubt. Owing to this *faux pas* the incident, while simple of solution on the surface, engaged the atten-

don of the diplomatic authorities of Japan and China for a considerable time.

The responsibility of the incident evidently rests with China. It is but natural that Japan should demand a satisfactory settlement, but that the Chinese troops should commit such outrages against the usually revered and awe-inspiring Japanese army was due entirely to irritation arising from the Japanese aid to the Mongolian bandits.

Superficially, the settlement of the question seems easy, but there are difficulties. There has been little development in the negotiations at Peking, and the Peking Government has reasons to argue with Japan, which is possible only because of the existence of such special conditions as I have been describing.

When the Chengchiatun incident took place, the Mongolian troops had entered Manchuria. In the several engagements they had with the Chinese troops they were defeated because of lack of munitions, as well as the inconvenience of military movement due to the growth of kaoliang in the fields. It was then that the incident happened. Being diverted by the Japanese soldiers from their activities against the bandits, the Chinese soldiers were compelled to let the bandits go scot-free, who quickly found shelter in Kuochiatien, a small district in the zone of the South Manchuria Railway.

There is no doubt that the Chengchiatun incident occurred without the previous knowledge of the Japanese, but it is possible for China to misunderstand that the Japanese troops, for the sake of helping the Mongolians, purposely made up the Chengchiatun incident so that the Mongolian troops might be led to the railway zone under Japanese protection.

MISTAKES COMMITTED BY JAPAN IN NEGOTIATIONS.

After the entrance of the Mongolian troops into Kuochiatien, Japan tried to negotiate with China for the safe return of these bandits into Mongolia. But the Chinese Government, because of the fact that the bandits had occupied the important station of Kuochiatien near Mukden, began a punitive expedition against them. The viewpoints of the two Governments were entirely different, and relations between them became strained.

Because of the special relations between Japan and the Mongolian bandits, she tried to negotiate with China for their safe return. Marshal Chang Tso-Lin, without much enmity towards Mongolia and unwilling

to see Manchuria devastated by a punitive expedition, agreed to the Japanese proposal.

FAILURE OF JAPAN'S SINISTER DESIGNS.

If things had developed as arranged, the Mongolian bandits could have escaped without molestation. It is to be regretted that Japan planned a dastardly plot, which was afterwards responsible for the break-up of the negotiations and the eventual scattering of the Mongolian bandits.

What was this dastardly plot of Japan? After she succeeded in arranging with the Chinese authorities for the safe escape of the Mongolian bandits into Mongolia, Japan caused the despatch of 800 men from the Imperial Army of 2,000 at Dairen by the South Manchuria Railway to Kuochiatien to join the bandits. They were supplied with rifles, guns, and large quantities of ammunition.

All this was conceived and executed by the Japanese military and civil officials at Dairen. If they did not have the support of Japan, how could the Imperialist soldiers, who were under constant vigilance of the Japanese troops at Dairen, have left the place? Again, if it were not for the secret assistance of the Japanese officials, how could the South Manchuria Railway carry these Imperialists to Kuochiatien? Another evidence is that the bandits were supplied with Japanese arms and ammunition.

There is no doubt that Japanese officials were behind the transaction.

The Chinese troops were surprised to find that the bandits who were allowed to pass unhurt into Mongolia, through the intervention of Japan, had been reinforced by the Chin-Wang Chun and supplied with Japanese arms. They thereby issued a notification *to* the effect that the Chinese troops were compelled to start a punitive expedition against the bandits, because they had joined hands with the Chin-Wang Chun.

On the eve of the departure of the bandits on their return to Mongolia, the Japanese soldiers received news of the Chinese notification, and requested the Japanese Consul-General at Mukden to inform Marshal Chang Tso-Lin that the Chinese troops could not enter the district east of the line from Kuochiatien, and that should the Chinese troops disregard the warning, the Japanese troops would take such action as they deemed fit. But the Japanese Consul-General at Mukden refused to send the protest, saying that it was not in accordance with the recognized principles of international law to make the protest, and that

Japan had no right to interfere in the matter. It is to be regretted that Japan could do nothing to prevent the Chinese notification.

ORIGIN OF THE CHAOYANGPAO INCIDENT.

Soon afterwards the bandits and the Chin-Wang Chun started from Kuochiatien on a predatory expedition into the rich districts of the Three Eastern Provinces. They were followed by a detachment of Japanese cavalry, which, while pretending to supervise their movements, was really sent to see that no Chinese troops should molest them. True to the notification issued, the Chinese troops began firing on the bandits, and as a result severe fighting took place in the course of which a bullet pierced a Japanese national flag and many cavalrymen were wounded. This constituted what is known as the Chaoyangpao incident. Two facts about the incident should be noted:—

i. Not only negotiations to stop the punitive expedition against the Mongolian bandits broke down, but further arrangements toward that direction could not be made.

2. Whatever action we might take, it is difficult to explain that Japan should have sent her troops to protect a force which was recruited from the bandits. The action of Japan in this instance was much criticized by Japanese residents in Manchuria, who held that such action, whether right or wrong, should go through the most careful consideration.

In ordinary circumstances an insult to the Japanese flag by Chinese soldiers would be immediately punished by the Japanese in a most drastic way. But here all circumstances were against Japan. She knew that her special relations with the Mongolian bandits were such that she could not repudiate them. Japan's diplomatic position in regard to the case was weak. Japan was therefore unable to turn the incident to her advantage, but had to swallow the insult to her national colours in silence.

After the Chaoyangpao incident a Japanese brigade moved from Kungchuling towards Chaoyangpao. But as soon as the Japanese force arrived on the scene of the recent trouble, the Chinese troops began to withdraw, thus defeating the object for which the Japanese troops were despatched. We wonder why the Japanese troops did not advance upon Mukden, where the Chinese army of the Three Eastern Provinces was concentrated, if they were determined to take revenge upon the Chinese. At that time most people anticipated that the Chinese troops would with-

draw before the Japanese advance, and the movement of the Japanese tropps was meaningless if the Chinese troops did withdraw.

ATROCITIES OF THE CHIN-WANG CHUN.

While the Japanese plans were often brought to an abortive end, the Chinese troops were highly successful in their task of exterminating the Mongolian bandits. There were untold difficulties in the retreat of the Mongolian bandits, who were molested in many places by the Kirin troops.

While negotiations were going on between the Chinese and Japanese military authorities, the bandits and the Chin-Wang Chun overran the whole of Manchuria committing acts of atrocity, and for a while the whole of Manchuria was in a state of terror. The settlement finally arrived at was that China agreed to the demand of Japan that the Chin-Wang Chun surrender their arms, while the Mongolian bandits were allowed safe return *to* the great desert of Mongolia.

It should be noted that the Japanese officials had sent the Chin-Wang Chun from Dairen and supplied them with arms. Now they could only disband them. Nothing was more ridiculous. After the Chin-Wang Chun was disbanded, the Japanese officials further ordered the South Manchuria Railway to carry them to various places in South Manchuria. Since the Chin-Wang Chun were mostly drawn from the rank and file of the bandits, their return to their old haunts meant a return of terror to the peaceful inhabitants. The Imperialists at Fushan attacked the innocent civilians. Japan cannot escape her responsibility for any future depredations of outlaws on the law-abiding Chinese people.

THE LAMACHANG INCIDENT.

The Mongolian troops, because of the settlement of the issue, were escorted back by the Japanese cavalry. The Chinese troops embarrassed their retreat at different places, and a critical situation arose at Lamachang. Had it not been for the courage of the Mongolian troops to break the Chinese lines, it would have been impossible for them to return. This is the true story of the Lamachang incident.

After a careful study of all the incidents discussed above, the following questions cannot be lightly considered:—

(1) Is the Japanese Government really ignorant of the existence of the Chin-Wang Chun, an organization of the Manchu Imperialists at Dairen? Considering that the army was in a place which belonged

to the Leased Territory of Kwantung, that it was trained by Japanese military officers, that the Japanese police at Dairen superintended its movements, and that the Japanese officials made no attempt to suppress the illegal army and allowed it to grow and start for Kuochiatien, one can hardly say that the Japanese Government knew nothing about it.

(2) Japan has spent an enormous sum of money in Manchuria. It was Japanese money that brought the Chin-Wang Chun into existence, and Japanese money was also used to recruit the Mongolian bandits. Moreover, Japanese money is always ready to finance any adventure in Manchuria that provides the slightest prospect of promoting Japan's ultimate object in view. Recently, when the Chin-Wang Chun was disbanded, each soldier was given a certain allowance, and the total thus paid out must have reached such a figure as would have been beyond the resources of any private person, and only within a Government's. Since Mr. Okura's loan of $1,000,000 to Prince Su was paid in full, it is clear that what Colonel Doi spent was not out of the proceeds of that loan but was furnished from the funds of the Japanese Government.

(3) Are not the Japanese officials responsible for the despatch of the 800 Imperialist troops to Kuochiatien to join hands with the Mongolian bandits? Was it not the Japanese officials who supplied arms and ammunition to these men?

(4) Were not the arms destined for the Mongolian bandits and detained by the Russian gendarmes at Harbin, and finally released through representations of the Japanese authorities, sent by the Japanese Government?

(5) Who was responsible for military movements in Manchuria? The responsibility of sending the Chin-Wang Chun to Kuochiatien from Dairen rested with the South Manchuria Railway. The responsibility of despatching a, Colonel on active service to train the Chin-Wang Chun rested with the Japanese General Staff. The responsibility of training, organizing, or disbanding the Chin-Wang Chun rested with the Governor of the Leased Territory of Kwantung. Finally, the responsibility of moving Japanese troops rested with the Japanese Ministry of War. Was there a central authority to direct these movements, or were they the free actions of these different organs? A Consul is a diplomatic official, and there is always a Japanese Consul in Mukden. We wonder if he reported all these activities of his nationals to the

Foreign Office, and if he did, what did the Foreign Office think of them?

(6) There is no doubt that the Japanese Government is, or rather was, behind all the disturbances in Manchuria. What is the object of the Japanese Government after all? When Yuan Shih-Kai was alive, it may be contended that it was for the overthrow of Yuan, against whom the Japanese had many grievances. But now that Yuan is in the grave, why is Japan still hatching plots and carrying out intrigues in Manchuria? Is the Japanese Government determined to dispose of that great tract of territory as it pleases? If it is not, we are really at a loss to explain Japan's object.

ENMITY OF "IMPERIALISTS" AND MONGOLIAN BANDITS.

Though the incidents in Manchuria are not important in themselves, their results are far-reaching. The Imperialists are dissatisfied with Japan. It is true that Japan at first gave aid to them, but later she acted unwisely, as manifested in the Chengchiatun affair, where Japan did not take an immediate and active policy toward China, and also in the Mongolian invasion of Manchuria, from which Japan did not take sny great advantage. In a word, the policy of the Japanese Government is short-sighted, faltering, indecisive, and unreliable.

What is the attitude of the Mongolian bandits towards Japan? They are very angry because they have been cheated by Japan. Bapuchapu, the Mongolian chief and an admirer of Japan, was induced to come to Manchuria with his little army. The Japanese troops maintained a pnssive attitude toward the Chinese troops; the consequence was that not only were the Mongolian bandits unable to realize their desire, but their safe return was almost rendered impossible. A great number of them were killed on their homeward journey, and the adventure became a tragedy. Japan's prestige with the Mongolians is entirely lost, because she did not give aid to them.

These conditions are not limited to affairs concerning Marshal Chang Tso-Lin. In fact, in all the affairs in Manchuria and Mongolia Japan possesses an influence which, if properly used, would accomplish a great many things. She does not know how to utilize the situation, but has, on the contrary, resorted to some minor cowardly actions—a fact to be greatly regretted.

JAPAN'S ADMINISTRATIVE ABILITY QUESTIONED.

Japanese residents in Manchuria arc fond of saying that since the

end of the Russo-Japanese War, peace and order in that country have been maintained by Japan. But to-day Manchuria is the most turbulent part of China. Owing to the interference of Japanese officials in Chinese affairs, and their collusion with the bandits, who bring terror and disorder to every district through which they happen to pass, the people in Manchuria have for a long time been in a panic-stricken state. Their good-will toward Japan, manifested especially during the Russo-Japanese War, has been destroyed forever, and it would be miraculous indeed if the Japanese regain their confidence in the next decade or two.

All the Japanese activities enumerated above have become a matter of common knowledge to Europeans and Americans. The British Consul at Mukden is reported to have once told Marshal Chang Tso-Lin the following: "You should adopt a strong attitude towards the Japanese. If necessary, we will give you every support. Even if it were not for these acts, the Americans and Europeans residing in Manchuria have long been suspicious of Japanese designs on this part of China, and what has happened only serves to confirm our suspicions." In the light of Japan's policy toward China since the Sino-Japanese War of 1895, her acts in Manchuria during the World War should occasion no surprise in well-informed minds. She simply wanted to utilize the pre-occupation of her allies to her own advantage. Americans are particularly dissatisfied with Japan in this respect, and it is not inconceivable that this treachery on the part of Japan toward her allies and America may hereafter place her position in China in jeopardy. This has become a nightmare to many Japanese.

Marshal Chang Tso-Lin asks why Japan resorts to underhand methods and plots instead of openly demanding what she desires.

Marshal Chang Tso-Lin has a special influence and position in Manchuria, having no official experience and not much relationship with the Central Government. His position would vanish as soon as he left Manchuria, which is his only sphere of influence. He has in his mind nothing else but power, strength, and private interest, and possesses no intelligence. He realizes that Japan holds great influence in Manchuria, and that it would be to his disadvantage to oppose Japan and to his benefit to adopt a pro-Japanese attitude. Therefore, Chang would be made a despotic king of Manchuria, if he took advantage of this special position and acted in accordance with what he realizes. Japan may also do what she pleases in Manchuria and Mongolia by utilizing

Chang. But she neglects the advantage which is offered to her, and instead employs petty intrigues. That is the reason why she has failed in her policy in Manchuria.

JAPAN'S ACTS OF LITTLE WISDOM.

There have been a great many events which arouse the suspicion and distrust of Chinese officials toward Japan. For instance, the Mukden bombing affair, the plunder of the Imperialists at Changchun, etc., have given sufficient stimulus to suspicion. There are cases where Japan used intrigues which served no purpose other than to arouse the animosity of the Chinese people towards Japan.

At Peking the Japanese, under the pretext of establishing amicable relations between China and Japan, supplied loans for the Chinese Government, but in Manchuria she sowed the seeds of discord. Not only good relations between the two countries cannot be established, but it makes the Chinese people suspicious of Japan's fundamental policy. The anti-Japanese party in China, using the present affair as a pretext, has started an anti-Japanese movement in Manchuria.

NEED OF A UNIFIED POLICY TOWARD CHINA.

Such a situation, if allowed to drift on, will become more complicated with regard to Japan's relations with China and other foreign countries. It is therefore necessary to have a determined policy towards China, Manchuria, and Mongolia, so that there may be a new outlook for our foreign relations:—

i. It is necessary to settle all the "pending issues" in Manchuria and Mongolia between China and Japan. The Chengchiatun affair should be immediately settled so as to remove the root of dispute between the two countries.

2. For the purpose of maintaining order in Manchuria and Mongolia, as well as developing these territories, Japan should try to obtain the political power, and China's army strength should be limited.

3. It is necessary that all the official organs in the Three Eastern Provinces and Mongolia should be unified under one Administration.

4. For the purpose of carrying this out and giving Chinese officials confidence in the Japanese Administration, the Japanese Government should establish a Governorship for Korea and Manchuria, which should be taken up by a powerful statesman in order to develop Manchuria and Korea simultaneously.

These few proposals, if carried out, will ensure the position of Japan in Manchuria and Mongolia. They are also indispensable for the maintenance of order in these territories.

But in order to settle the Manchurian and Mongolian questions satisfactorily, it is necessary to have the understanding of the Chinese Government, as well as the Chinese people, who should be made to believe in the sincerity of Japan. The method is very simple; the Government can attribute all the unhappy incidents in Manchuria to certain officials in the Government or one high Minister, and at the same time declare and show that the policy of the Government is just the oppposite.

In order to establish a new foreign policy, the present Government should resign so that Sino-Japanese relations can be improved from the very roots. This is what I believe to be very important.

IV. THE TANAKA MEMORIAL TO THE THRONE.

In igiy General Baron Tanaka, Premier of Japan, presented a memorial to the Emperor dealing with the Japanese Government's policy in Manchuria. The text of this document has never been published in Japan, being a confidential report to the Throne, but a limited number of copies were made and distributed to certain privileged persons, and one of these eventually found its way into Chinese possession. The Memorial was eventually translated and published in the "CHINA CRITIC" *(and re-edited by us) and although its authenticity is naturally disputed by the Japanese Government, events since 1931 have followed so closely along the lines indicated in the Tanaka Memorial of* 7927 *that the text of this remarkable document calls for close study by all who are interested in Japan's activities on the Asiatic mainland. The text of General Tanaka $ memorial to the Throne is as follows:—*

Since the European War Japan's political as well as economic interests have been in an unsettled condition. This is due to the fact that we have failed to take advantage of our special privileges in Manchuria and Mongolia and fully to realize our acquired rights. But upon my appointment as Premier I was instructed specially to guard our interests in this region and watch for opportunities for further expansion. Such injunctions one cannot take lightly. Ever since I advocated a positive policy towards Manchuria and Mongolia as a common citizen I have longed for its realization. So in order that we may lay plans for the colonization of the Far East and the development of our new continental empire, a special conference was held from June 27 to July 7, lasting in all eleven days. It was attended by all the civil and military officers connected with Manchuria and Mongolia, and the discussions resulted in the following resolutions. These we respectfully submit to Your Majesty for consideration.

GENERAL CONSIDERATIONS.

The term Manchuria and Mongolia includes the provinces Fengtien, Kirin, Heilungkiang and Outer and Inner Mongolia. They comprise

an area of 1,720,000 square miles, having a population of approximately 28,000,000. The territory is more than three times as large as our own empire, not counting Korea and Formosa, but it is inhabited by only one-third as many people. The attractiveness of the land does not arise from the scarcity of population alone: its wealth of forests, minerals and agricultural products is also unrivalled anywhere in the world. In order to exploit these resources for the perpetuation of our national glory we created especially the South Manchuria Railway Company. The total investment involved in our undertakings in railway, shipping, mining, forestry, steel manufacture, agriculture, and cattle-raising as schemes pretending to be mutually beneficial to China and Japan amounts to no less than Yen 440,000,000. It is veritably the largest single investment and the strongest organization of our country. Although nominally the enterprise is under the joint ownership of the Government and the people, in reality the Government has complete power and authority over it. In so far as the South Manchuria Railway Company is empowered to undertake diplomatic, police, and ordinary administrative functions so that it may carry out expansionist policies, the Company constitutes a peculiar organization which has exactly the same powers as the Governor-General enjoys in Korea. This fact alone is sufficient to indicate the immense interests we have in Manchuria and Mongolia. Consequently the policies of the successive Administrations since Meiji towards this country are all based on his injunction, elaborating and continuously completing the development of the new continental empire in order to further the advance of our national glory and prosperity for countless generations to come.

Unfortunately, since the European War there have been constant changes in diplomatic as well as domestic affairs. The authorities of the Three Eastern Provinces are also awakened and gradually work towards reconstruction and industrial development following our example. Their progress is astonishing. It has affected the spread of our influence in a most serious way, and has put us to so many disadvantages that the dealings with Manchuria and Mongolia of successive Governments have resulted in failure. Furthermore, the restrictions imposed by the Nine-Power Treaty signed at the Washington Conference have reduced our special rights and privileges in Manchuria and Mongolia to such an extent that there is no freedom left for us. The very existence of our country is endangered. Unless these obstacles are removed our

national existence will be insecure and our national strength will not increase. Moreover, the resources of wealth are concentrated in North Manchuria. If we do not have the right of way there, it is obvious that we shall not be able to tap the riches of this country. Even the exploitation of the resources of South Manchuria which we won by the Russo-Japanese War has been greatly restricted by the Nine-Power Treaty. The result is that while our people cannot migrate into Manchuria as they please the Chinese are flowing in as a flood. Hordes of them move into the Three Eastern Provinces every year, numbering in the neighborhood of several millions. They have jeopardized our acquired rights in Manchuria and Mongolia to such an extent that our annual surplus population of eight hundred thousand have no place to seek an outlet. In view of this we have to admit our failure in trying to effect a balance between our population and food supply. If we do not devise plans to check the influx of Chinese immigrants immediately, in five years' time the number of Chinese will increase by 6,000,000. Then we shall be confronted with greater difficulties in Manchuria and Mongolia.

It will be recalled that when the Nine-Power Treaty which restricted our movements in Manchuria and Mongolia was signed, public opinion was greatly aroused. The late Emperor Taisho called a conference of Yamagata and other high officers of the army and navy to find a way to counteract this new engagement. I was sent to Europe and America to ascertain secretly the attitude of important statesmen toward it. They were all agreed that the Nine-Power Treaty was initiated by the United States. The other Powers which signed it were willing to see our influence increase in Manchuria and Mongolia in order that we may protect the interests of international trade and investment. This attitude I found personally from the political leaders of England, France and Italy. The sincerity of these expressions could not be depended upon. Unfortunately just as we were ready to carry out our policy and declare void the Nine-Power Treaty with the approval of those whom I met on my trip, the Seiyukai Cabinet suddenly fell and our policy failed of fruition. It was indeed a great pity. After I had secretly exchanged views with the Powers regarding the development of Manchuria and Mongolia I returned by way of Shanghai. At the wharf there a Chinese attempted to take my life. An American woman was hurt, but I escaped by the divine protection of my Emperors of the past. It seems that

it was by divine will that I should assist Your Majesty to open a new era in the Far East and to develop the new continental empire.

The Three Eastern Provinces are politically the imperfect spot of the Far East. For the sake of self-protection, as well as the protection of others, Japan cannot remove the difficulties in Eastern Asia unless she adopts a policy of "Blood and Iron." But in carrying out this policy we have to face the United States, which has been turned against us by China's policy of fighting poison with poison. In the future, if we want to control China, we must first crush the United States just as in the past we had to fight in the Russo-Japanese War. But in order *to* conquer China we must first conquer Manchuria and Mongolia. In order to conquer the world we must first conquer China. If we succeed in conquering China the rest of the Asiatic countries and the South Sea countries will fear us and surrender to us. Then the world will realize that Eastern Asia is ours and will not dare to violate our rights. This is the plan left to us by Emperor Meiji, the success of which is essential to our national existence.

The Nine-Power Treaty is entirely an expression of the spirit of commercial rivalry. It was the intention of England and America to crush our influence in China with their power of wealth. The proposed reduction of armaments is nothing but a means to limit our military strength, making it impossible for us to conquer the vast territory of China. On the other hand, China's resources of wealth will be entirely at their disposal. It is merely a scheme by which England and America may defeat our plans. And yet the Minseito made the Nine-Power Treaty the important thing and emphasized our *trade* rather than our *rights* in China. This is a mistaken policy—a policy of national suicide. England can afford to talk about trade relations only because she has India and Australia to supply her with foodstuffs and other materials. So can America because South America and Canada are there to supply her needs. Their spare energy can be entirely devoted to developing trade in China to enrich themselves. But in Japan the food supply and raw materials decrease in proportion to the population. If we merely hope to develop trade, we shall eventually be defeated by England and America, who possess unsurpassable capitalistic power. In the end, we shall get nothing. A more dangerous factor is the fact that the people of China might some day wake up. Even during these years of internal strife, they can still toil patiently, and try to imitate

and displace our goods so as to impair the development of **our trade.** When we remember that the Chinese are our sole customers, we must beware of the day when China becomes unified and her industries become prosperous. Americans and Europeans will compete with us; our trade in China will be ruined. The Minseito proposal to uphold the Nine-Power Treaty and to adopt the policy of trade towards Manchuria is nothing less than a suicidal policy.

After studying the present conditions and possibilities of our country, our best policy lies in the direction of taking positive steps to secure rights and privileges in Manchuria and Mongolia. These will enable us to develop our trade. This will not only forestall China's own industrial development, but also prevent the penetration of European Powers. This is the best policy possible!

The way to gain actual rights in Manchuria and Mongolia is to use this region as a base and under the pretence of trade and commerce penetrate the rest of China. Armed with the rights already secured we shall seize the resources all over the country. Having China's entire resources at our disposal we shall proceed to conquer India, the Archipelago, Asia Minor, Central Asia and even Europe. But to get control of Manchuria and Monogolia is the first step if the Yamato race wishes to distinguish itself in Continental Asia. Final success belongs to the country having food supply; industrial prosperity belongs to the country having raw materials; the full growth of national strength belongs to the country having extensive territory. If we pursue a positive policy to enlarge our rights in Manchuria and China, all those prerequisites of a powerful nation will constitute no problem. Furthermore, our surplus population of 700,000 each year will also be taken care of. If we want to inaugurate a new policy and secure the permanent prosperity of our empire, a positive policy towards Manchuria and Mongolia is the only way.

MANCHURIA AND MONGOLIA.

Historically considered, Manchuria and Mongolia are neither China's territory nor her special possessions. Dr. Yano has made an extensive study of Chinese history and has come to the positive conclusion that Manchuria and Mongolia were never Chinese territory. This fact was announced to the world on the authority of the Imperial University. The accuracy of Dr. Yano's investigations is such that no scholars in China have contested his statement, *(sic!)* However, the most unfor-

tunate thing is that in our declaration of war with Russia, our Government openly recognized China's sovereignty over these regions and later again at the Washington Conference when we signed the Nine-Power Treaty. Because of these two miscalculations (on our part) China's sovereignty in Manchuria and Mongolia is established in diplomatic relations, but our interests are seriously injured. In the past, although China speaks of the Republic of five races, yet Tibet, Sinkiang, Mongolia and Manchuria have always remained special areas and the Princes are permitted to discharge their customary functions. Therefore in reality the sovereign power over these regions resides with the Princes. When any opportunity presents itself, we should make known to the world the actual situation there. We should also wedge our way into Outer and Inner Mongolia in order that we may, reform the mainland. So long as the Princes there maintain their former administrations, the sovereign rights are clearly in their hands. If we want to enter these territories we may regard them as *the* ruling power and negotiate with them for rights and privileges. We shall be afforded excellent opportunities and our national influence will increase rapidly.

POSITIVE POLICY IN MANCHURIA.

As to rights in Manchuria, we should take forceful steps on the basis of the Twenty-One Demands and secure the following in order to safeguard the enjoyment of the rights which have been acquired so far:—

1. After the thirty-year commercial lease terminates, we should be able to extend the term at our wish. Also the right of leasing land for commercial, industrial and agricultural purposes should be recognized.
2. Japanese subjects shall have the right to travel and reside in the eastern part of Mongolia, and engage in commercial and industrial activities. As to their movements, China shall allow them freedom from Chinese law. Furthermore, they must not be subject to illegal taxation and unlawful examination.
3. We must have the right of exploiting the nineteen iron and coal mines in Fengtien and Kirin, as well as the right of timbering.
4. We should have priority for building railroads and option for loans for such purposes in South Manchuria and Eastern Mongolia.
5. The number of Japanese political, financial and military advisers should be increased. Furthermore, we must have priority in furnishing new advisers.
6. The right of police control over the Koreans (in China.)

7. The administration and development of the Kirin-Changchun Railway must be extended to 99 years.
8. Exclusive right of sale of special products—priority of shipping business to Europe and America.
9. Right to construct Kirin-Hueining and Changchun-Talai Railways.
10. Exclusive right of mining in Heilungkiang.
11. In case money is needed for the redemption of the Chinese Eastern Railway, the Japanese Government must have the first option for making loans to China.
12. Harbour rights at Antung and Yingkow and the right of through transportation.
13. The right of partnership in establishing a Central Bank of the Three Eastern Provinces.
14. Right of Pasturage.

POSITIVE POLICY TOWARDS INNER AND OUTER MONGOLIA.

Since Manchuria and Mongolia are still in the hands of the former princes, in future we must recognize them as the ruling power and give them support. For this reason, the daughter of General Fukushima, Governor of Kwantung, risked her life among the barbarous Mongolian people of Tushiyeh to become adviser to their prince in order that she might serve the Imperial Government. As the wife of the Prince Ruler is the niece of the Manchu Prince Su, the relationship between our Government and the Mongolian Prince became very intimate. The Princes of Outer and Inner Mongolia have all shown sincere respect for us, especially after we allured them with special benefits and protection. Now there are nineteen Japanese retired military officers in the house of the Tushiyeh. We have already acquired monopoly rights for the purchase of wool, for real estate and for mines. Hereafter we shall send secretly more retired officers to live among them. They should wear Chinese clothes in order to escape the attention of the Mukden Government. Scattered in the territory of the Prince, they may engage themselves in farming, herding or dealing in wool. As to other principalities, we can employ the same method as in Tushiyeh. Everywhere we should station our retired military officers to dominate in the Princes' affairs. After a large number of our people have moved into Outer and Inner Mongolia, we shall then buy land at one-tenth of its worth and begin to cultivate rice where feasible in order to relieve our shortage of food supply. Where the land is not suitable for rice cultivation, we should develop it for cattle-raising and horse-breeding in order to re-

plenish our military needs. The rest of the land could be devoted to the manufacture of canned goods which we may export to Europe and America. The fur and leather will also meet our needs. Once the opportunity comes, Outer and Inner Mongolia will be ours outright. While the sovereign rights are not clearly defined and while the Chinese and the Soviet Governments are engaging their attention elsewhere, it is our opportunity quietly to build our influence. Once we have purchased most of the land there, there will be no room for dispute as to whether Mongolia belongs to the Japanese or the Mongolians. Aided by our military prowess, we shall realize our positive policy. In order to carry out this plan, we should appropriate Yen 1,000,000 from the "secret funds" of the Army Department's budget so that four hundred retired officers disguised as teachers and Chinese citizens may be sent into Outer and Inner Mongolia to mix with the people, to gain the confidence of the Mongolian Princes, to acquire from them rights for pasturage and mining and to lay the foundation of our national interests for the next hundred years.

ENCOURAGEMENT AND PROTECTION OF KOREAN IMMIGRATION.

Since the annexation of Korea, we have had very little trouble. But President Wilson's declaration of the self-determination of races after the European War has been like a divine revelation to the suppressed peoples. The Koreans are no exception. The spirit of unrest has permeated the whole country. Both because of the freedom they enjoy in Manchuria due to an incompetent police system and because of the richness of the country, there are now in the Three Eastern Provinces no less than 1,000,000 Koreans. This unlooked-for development is indeed fortunate for our country. From a military and economic standpoint, it has greatly strengthened our influence. From another standpoint, it gives new hope for the administration of Koreans. They will be both the vanguard for the colonizations of virgin fields and a link of contact with the Chinese people. On the one hand, we could utilize the naturalized Koreans to purchase land for rice cultivation, on the other, we could extend to them financial aid through the Co-operative Society, the South Manchuria Railway, etc., so that they may serve as the spear-head of our economic penetration. This will give relief to our problem of food supply, as well as open a new field of opportunity for colonization. The Koreans who have become naturalized Chinese are Chinese only in name: they will return to our fold eventually. They

are different from those naturalized Japanese in California and South America. They are naturalized as Chinese only for temporary convenience. When their numbers reach two million and a half or more, they can be instigated to military activities whenever there is the necessity, and under the pretence of suppressing the Koreans we could bear them aid. As not all the Koreans are naturalized Chinese, the world will not be able to tell whether it is the Chinese Koreans or the Japanese Koreans who create the trouble. We can always sell dog's meat with a sheep's head as sign-board.

Of course, while we could use the Koreans for such purposes, we must beware of the fact that the Chinese could also use them against us. But Manchuria is as much under our as under their jurisdiction. If the Chinese should use Koreans to hamper us, then our opportunity of war against China is at hand. In that event, the most formidable factor is Soviet Russia. If the Chinese should use the "Reds" to influence the Koreans, the thought of our people will change and great peril will befall us. Therefore, the present Cabinet is taking every precaution against this eventuality. If we want to make use of the Koreans to develop our new continental empire, our protection and regulation for them must be more carefully worked out.

We should increase our police force in North Manchuria under the terms of the Mitsuya Treaty, so that we may protect the Koreans and give them help in their rapid advance. Furthermore, the Eastern Development Company (Totuku Kaisha) and the South Manchuria Railway Company should follow then to give them financial aid. They should be given especially favourable terms, so that through them we may develop Manchuria and Mongolia and monopolize commercial rights. The influx of Koreans into these territories is of such obvious importance both for economic and military considerations that the Imperial Government cannot afford not to give it encouragement. It will mean new opportunities for our Empire. Since the effect of the Lansing-Ishii Agreement is lost after the Washington Conference, we can only recover our interests through favourable developments arising out of the presence of several millions of Koreans in Manchuria. There is no ground in international relations for raising any objection to this procedure.

RAILROADS AND DEVELOPMENT OF OUR NEW CONTINENT.

Transportation is the mother of national defence, the assurance of

victory and the citadel of economic development. China has only 7,300 miles of railroads, of which three thousand miles are in Manchuria and Mongolia constituting two-fifths of the whole. Considering the size of Manchuria and Mongolia and the abundance of natural products, there should be at least five or six thousand more. It is a pity that our railroads are mostly in South Manchuria, which cannot reach the sources of wealth in the northern parts. Moreover, there are too many Chinese inhabitants in South Manchuria to be wholesome for our military and economic plans. If we wish to develop the natural resources and strengthen our national defence, we must build railroads in Northern Manchuria. With the opening of these railroads, we shall be able to send more people (Japanese) into Northern Manchuria. From this vantage ground we can manipulate political and economic developments in South Manchuria, as well as strengthen our national defence in the interest of peace and order of the Far East. Furthermore, the South Manchuria Railway^ was built mainly for economic purposes. It lacks encircling lines necessary for military mobilization and transportation. From now on we must take military purposes as our object, and build circuit lines to encircle the heart of Manchuria and Mongolia in order that we may hamper China's military, political and economic developments there on the one hand, and prevent the penetration of Russian influence on the other. This is the key to our continental policy.

There are two trunk lines in Manchuria and Mongolia. These are the Chinese Eastern Railway and the South Manchuria Railway. As regards the railroad built by Chinese, it will doubtless become very powerful in time, backed by the financial resources of the Kirin Provincial Government. With the combined resources of Fengtien and Heilungkiang Provinces, the Chinese railroads will develop to an extent far superior to our South Manchuria Railway. Strong competition will inevitably result. Fortunately for us, the financial conditions in Fengtien Province are in great disorder, which the authorities cannot improve unless we come to their succour. This is our chance. We should take positive steps until we have reached our goal in railroad development. Moreover, if we manipulate the situation, the Fengtien banknotes will depreciate to an inconceivable degree. In that event, the bankruptcy of Fengtien will be a matter of time.

The development of Manchuria and Mongolia will be out of the question for them. But we still have to reckon with the Chinese Eastern

Railway. It forms a T with the South Manchuria Railway. Although this system is in a convenient shape, it is by no means suitable **for** military purposes. When the Chinese build railroads as feeders of the Chinese Eastern Railway, it is best that they run parallel to it, west and east. But with the South Manchuria Railway as main line, we must have these lines run north and south. For the benefit of the Chinese themselves, there are also advantages for these lines to run in this direction. Consequently our interest does not necessarily conflict with the Chinese. Now that Russia is losing influence and is powerless to advance in Manchuria and Mongolia, it is certain that the Chinese must act according to our beckoning in the development of railways in the future. Much to our surprise the Fengtien Government recently built two railroads, one from Tahushan to Tungliao and the other from Kirin to Haining, both for military purposes. Those two railroads affect most seriously our military plans in Manchuria and Mongolia as well as the interest of trie South Manchuria Railway. We therefore protested strongly against it.

That these railways were built was due to the fact that our officials on the spot as well as the South Manchuria Railway authorities, miscalculated the ability of the Fengtien Government and paid no attention to it. Later when we did intervene the railways were already completed. Besides, the Americans have been anxious to make an investment in developing the port of Hulutao through British capitalists. Taking advantage of this situation, the Fengtien Government introduced American and British capital in these railways in order to hold our interest at bay. For the time being we have to wink at it and wait for the opportune moment to deal with China about these two railroads.

Recently it was rumoured that the Fengtien Government is planning to build a, railroad from Tahushan to Harbin via Tungliao and Fu-Yu, so that there may be a direct line between Peking and Harbin without touching either the South Manchuria Railway or the Chinese Eastern Railway. What is more astonishing is that another railway, beginning at Mukden and passing through Hailung, Kirin, Wuchang, terminating at Harbin, is also under way. If this plan be realized, then these two lines would encircle the South Manchuria Railway and limit its sphere of activity to a small area. The result is that our economic and political development of Manchuria and Mongolia will be checked and the plan of curtailing our power provided by the Nine-Power Treaty will be

carried out. Moreover, the completion of these two railroads will render the South Manchuria Railway completely useless. The latter Company will be confronted with a real crisis. But in view of China's financial conditions today, she cannot undertake these two railwoads unless she resorts to foreign loans. And on these two railways the transportation charges will have to be higher than on the South Manchuria Railway. These considerations give us some comfort. But in the event of these two railroads becoming an accomplished fact, and the Chinese Government making specially low freight charges in order to compete with the South Manchuria Railway, not only we but the Chinese Eastern Railway will also sustain great losses. Japan and Russia certainly would not allow China to carry out such obstructive measures, especially as the Chinese Eastern Railway depends upon Tsitsihar and Harbin for the bulk for its business. The consequence would be even more serious to both Japanese and Russian interests when the new railways are completed.

Let us now consider more in detail the competitive railways projected in Manchuria and Mongolia.

China contemplates:

i. Suolun-Taonan Railway.
2. Kirin-Harbin Railway.

Soviet Russia proposes:

1. Anta-Potung Railway.
2. Imienpo-Wuchang-Potung Railway.
3. Kirin-Hailin Railway.
4. Mishan-Muling Railway.

The Russian plans are designed to strengthen the Chinese Eastern Railway and thereby to extend its imperialistic schemes. For this reason the railways projected mostly run east and west. Although the power of Soviet Russia is declining, her ambition in Manchuria and Mongolia, has not diminished for a minute. Every step she takes is intended to obstruct our progress and to injure the South Manchuria Railway. We must do our utmost to guard against her influence. We should use the Fengtien Government as a wedge to check her southern advance. By pretending to check the southern advance of Soviet Russia as a first step, we could gradually force our way into North Manchuria and exploit the natural resources there. We shall then be able to prevent the spread of Chinese influence on the south and arrest the advance of Soviet Russia on the north. In our struggle against the political and economic influence

of Soviet Russia, we should drive China before us and direct events from behind. Meanwhile, we should still secretly befriend Russia in order to hamper the growth of Chinese influence. It was largely with this purpose in view that Baron Goto, of Kato's Cabinet, invited Joffe to our country and advocated the resumption of diplomatic relations with Russia.

Although we have an agreement with the Chinese Eastern Railway concerning transportation rates, according to which 45% goes to the Chinese Eastern Railway and 55% to us, yet the Chinese Eastern Railway still grants preferential rates detrimental to the interest of the South Manchuria Railway. Moreover, according to a secret declaration of Soviet Russia, although they have no territorial ambition they cannot help keeping a hand on the Chinese Eastern Railway, on account of the fact that north of the Chinese and Russian boundary the severe cold makes a railway useless. Furthermore, as Vladivostok is their only sear port in the Far East, they cannot give up the Chinese Eastern Railway without losing their foothold on the Pacific. This makes us feel more uneasy.

On the other hand, the South Manchuria Railway is not adequate for our purposes. Considering our present needs and future activities, we must control railways both in North and South Manchuria, especially in view of the fact that the resources of North Manchuria and Eastern Mongolia will furnish more room for expansion and material gains. In South Manchuria the Chinese are increasing at such a rate that it will surely damage our interests politically and economically. Under such circumstances we are compelled to take aggressive steps in North Manchuria in order to assure our future prosperity. But if Soviet Russia's Chinese Eastern Railway should spread across the field, our new continental policy is bound to receive a set-back which will result in an inevitable conflict with Soviet Russia in the near future. In that event we shall enact once more our part in the Russo-Japanese War. The Chinese Eastern Railway will become ours as the South Manchuria Railway did last time, and we shall seize Kirin as we once did Dairen. That we should measure swords with Russia again in the fields of Mongolia in order to gain the wealth of North Manchuria seems a necessary step in our programme of national aggrandizement. Until this hidden rock is blown up our ship can have no smooth sailing. We should now demand from China the right of building all the important

military railroads. When these roads are completed, we should pour our forces into North Manchuria as fast as we can. When Soviet Russia intervenes, as they must, that is our opportunity for open conflict.

WE SHOULD BUILD THE FOLLOWING RAILWAYS.

/. *Tungliao-Jehol Railway.* This line is 477 miles long and will cost Yen 50,000,000. When it is completed it will be of great value to our development of Inner Mongolia. As a matter of fact, this is the most important of all railways in the whole undertaking. According to the careful surveys of the War Department, there are in Inner Mongolia large tracts of land suitable for rice cultivation. After proper development there will be room for at least 20 millions of our people. Besides there is the possibility of turning out 2,000,000 head of cattle which may be transported by railway for food supply and for purposes of exporting to Europe and America. Wool also is a special product. While the sheep in Japan yield only two catties of wool per head per year, the sheep in Mongolia can yield six catties. The South Manchuria Railway has made many experiments, all of which confirm this fact. Besides, the wool is many times better than that of Australia. Its low cost and high quality combined with its abundance in quantity make Mongolia a potential source of great wealth. When this industry is enhanced by the facilities of railway development, the total production will increase at least ten-fold. We have withheld this knowledge from the rest of the world, lest England and America compete with us for it. Therefore, we must first of all control transportation and then develop the wool industry. By the time the other countries know about it, it would be already too late to do anything. With this railroad in our hands, we can develop the wool industry not only for our own use, but also for exporting to Europe and America. Furthermore, we can realize our desire of joining hands with Mongolia. This railway is a matter of life and death to our policy in Mongolia. Without it, Japan can have no part in Mongolia's development.

2. *Suolun-Taonan Railway.* This line is 136 miles long and will cost Yen 10,000,000. Looking into the future of Japan, a war with Russia in the plains of North Manchuria is inevitable. From a military standpoint, this line will not only enable us to threaten Russia's rear but also to curtail its re-inforcements for North Manchuria. From an economic standpoint, this road will place the wealth of the Tao Er Ho Valley within our reach, thereby strengthening the South Manchuria

Railway. The Princes nearby who are friendly to us can also use this road to extend our influence in order to open up their respective territories. Our hope of working hand in hand with the Mongolian Princes, of acquiring land, mines and pasturage, and of developing trade with the natives as preliminary steps for later penetration, all depends upon this railway. Together with the Tungliao-Jehol Railway, they will form two supplementary routes into Mongolia. When the industries are fully developed, we shall extend our interests into Outer Mongolia. But the danger of this line is that it might provide facilities for Chinese immigration into a new region and spoil our own policy. Look at our experience with the South Manchuria Railway. Has not that served the interest of China? The redeeming feature, however, is the fact that until the land and mines along this railway are in their possession, we need have no worries about Chinese migration. Moreover, we can make the Princes pass laws discriminating against Chinese immigrants. When life there is made miserable for the Chinese, they naturally will leave for places afar. There are other methods to bar the Chinese. If only we try hard enough no Chinese foot-prints will be found on Mongolian territory.

3. *A section of the Changchun-Taonan Railway.* As this line runs from Changchun to Fuyu and Talai, the section between Changchun and Taonan is about 131 miles and will cost approximately Yen 11,000,000. This line is immensely important from an economic standpoint, for the wealth of Manchuria and an easy access to North Manchuria on the one hand, and to prejudice the Chinese Eastern Railway for the benefit of the South Manchuria Railway on the other. It runs through the upper valley of the Sungari River, where the soil is fertile and agricultural products abound. Further, in the vicinity of Talai there is Yuehliang Falls which could be harnessed for electric power. That this section of the railway will be a prosperous centre for industry and agriculture is beyond doubt. After the completion of this line, we shall be able to make Talai a base and advance on Siberia in three directions: namely, by way of Taonan, Anshan and Tsitsihar. The wealth of North Manchuria will then come to our hands. This will also be the first line of advance to Heilungkiang. It will further form a circuit with the railway between Changchun and Taonan, which will serve well for military purposes when we penetrate into Mongolia. Along this line the population is sparse and the land is rich and extensive. No fertilizer will be

required on the farms for fifty years. Possession of this railway will ensure the possession of all the wealth of North Manchuria and Mongolia. In this region there is room for at least 30 million people more. When the Tunhua Railway is completed and joins up with the line running to Hueining in Korea, the products will be brought to the door of Osaka and Tokyo by a direct route. In time of war our troops could be despatched to North Manchuria and Mongolia via the Japan Sea without a stop, forestalling all possibilities of Chinese forces entering North Manchuria. Nor could American or Russian submarines enter the Korean Strait. The moment the railways between Kirin and Hueining and between Changchun and Talai are completed, we shall become self-sufficient in food-stuffs and raw materials. We shall have no worries in the event of war with any country. Then, in our negotiations about Manchuria and Mongolia, China will be cowed to submission and yield to our wishes. If we want to end the political existence of Manchuria and Mongolia according to the third step on the Meiji plan, the completion of these two railways is the only way. The Changchun-Talai Railway will greatly enhance the value of the South Manchuria Railway, besides developing into a profitable line itself. It is an undertaking of supreme importance in our penetration into the territory.

4. Kirin-Hueining Line. While the Kirin-Tunhua Line is already completed, the Tunhua-Hueining Line is yet to be built. The narrow gauge of 2ft. 6in. of the tracks from Hueining to Laotoukow is inadequate for the economic development of the New Continent. Allowing Yen 8,000,000 for widening the tracks in this section and Yen 10,000,000 for completing the section between Laotoukow and Tunhua, the whole undertaking will cost approximately Yen 20,000,000. When this is done our continental policy will have succeeded. Hitherto, people going to Europe have to pass through either Dairen or Vladivostok. Hereafter they can go on the trunk line directly from Chingchinkang via the Siberian Railway. When we are in control of this great system of transportation, we need make no secret of our designs on Manchuria and Mongolia according to the third step of the Meiji plans. The Yamato Race is then embarked on the journey of world conquest! According to the last will of Meiji, our first step was to conquer Formosa and the second step to annex Korea. Having completed both of these, the third step is yet to be taken and that is the conquest of Manchuria, Mongolia and China. When this is done, the rest of Asia, including the South Sea Islands,

will be at our feet. That these injunctions have not been carried out even now, is a crime of your humble servants.

In history the people living in Kirin, Fengtien and part of Heilungkiang, are called Sushan. They are now scattered along the sea-coast and in the basins of the Amur and Tumen Rivers. They were known as Kulai, Sushan, Hueibei, Palou, Wetsu, Fuyu, Kitan Pohai and Nuchen at different stages of history. They were of a mixed race. The forefathers of the Manchurian dynasty also orginated in this vicinity. They gained control of Kirin first, and then firmly established themselves in China for 300 years. If we want to put into effect our Continental Policy, we have to note this historical fact and proceed to establish ourselves in this region first also. Hence the necessity of the Kirin-Hueining Railway.

Whether the terminus of the Kirin-Hueining Line be at Chingchin or Lochin or even Hsiungchi, we are free to decide according to circumstances. From the standpoint of national defence at present, Lochin seems the ideal harbour and terminus. Eventually it will be the best harbour in the world. On the one hand it will ruin Vladivostok, and on the other it will be the center of the wealth of Manchuria and Mongolia. More ver, since Dairen is as yet not our own territory while Manchuria is yet not a part of our empire, it is difficult to develop Dairen. That being the case, we shall be in a precarious situation in time of war. The enemy could blockade the Tsushima and Senchima Straits, and we shall be cut off from the supplies of Manchuria and Mongolia. Not having the resources there at our command we shall be vanquished, especially as England and the United States have worked hand in hand to limit our action in every possible direction. For the sake of self-preservation and of giving warning to China and the rest of the world, we must fight America some time. The American Asiatic Squadron stationed in the Philippines is but within a stone's throw from Tsushima and Senchima. If they send submarines to these quarters, our supply of foodstuff and raw materials from Manchuria and Mongolia will be cut off entirely. But if the Kirin-Hueining Railway is completed, we shall have a large circuit line through all Manchuria and Korea, and a small circuit line through North Manchuria. We shall have access in all directions gaining freedom for the transportation of soldiers and supplies alike. When our supplies are transported through this line to our ports at Tsuruga and Niigata, enemy submarines will have no way of getting

into the Japanese and Korean straits. We are then entirely free from interference. This is what is meant by making the Japan Sea the center of our national defence. Having secured the free transportation of food and raw materials, we shall have nothing to fear either from the American navy because of its size, or the Chinese or Russian army because of their number. Incidentally, we shall be in a position to suppress the Koreans. Let me reiterate the fact that if we want to carry out the New Continental Policy, we must build this line. Manchuria and Mongolia are the undeveloped countries in the East. Over this territory we shall have to go to war with Soviet Russia sooner or later. The battleground will be Kirin.

When we carry out the third step of the Meiji plans with regard to China, we shall have to do the following:—

1. Mobilize the army divisions in Fukuoka and Hiroshima and and send them to South Manchuria via Korea. This will prevent the northern advance of Chinese soldiers.
2. Send the army divisions in Nagoya and Kwansei by sea to Chingchin, and thence to North Manchuria via the Kirin-Hueining Line.
3. Send the army in Kwantung through Niigata to Chingchin or Lochin, and thence by the Kirin-Hueining Line to North Manchuria.
4. Send the army divisions in Hokkaido and Sendai to embark in ships at Aomori and Hakodate, and sail for Vladivostok and thence, via the Siberian Railway, to Harbin. Then they can descend on Fengtien, seize Mongolia, and prevent Russian forces from coming south.
5. Finally these divisions in all directions will meet and form themselves in two large armies. On the south, they will keep Shanhaikwan and close it against the northern advance of Chinese forces; on the north, they will defend Tsitsihar against the southern advance of the Russians. In this way we shall have all the resources of Manchuria and Mongolia at our command. Even if the war should be prolonged for ten years, we need have no fear for lack of supplies.

Let us now examine once more the Kirin-Hueining Railway from the standpoint of its access from our ports.

First with Chingchin as starting point:—

1. To Vladivostok.....130 miles
2. To Tsuruga.....475 miles
3. To Moji.....500 miles

4. To Nagasaki.....650 miles
5. To Fusan.....500 miles

Second, take Tsuruga as the port of entry and compare it with Dairen. In this case we should consider it from the point of view of Osaka as an industrial centre.

1. From Changchun to Osaka via Lochin, the distance is 406 miles by land and 475 miles by sea. In point of time the route will take 51 hours.
2. From Changchun to Osaka via Dairen and Kobe, the distance is 535 miles by land and 870 miles by sea. In point of time it takes 92 hours.

   If Tsuruga instead of Dairen is made the connecting link, there is a saving of 41 hours. Calculated at the rate of 30 miles an hour on land and 12 miles an hour by sea, we can use fast boats and trains and cut the time in half.

Manchuria and Mongolia are the Belgium of the Far East. In the Great War, Belgium was the battlefield. In our wars with Russia and the United States, we must also make Manchuria and Mongolia suffer the ravages. As it is evident that we have to violate the neutrality of these territories, we cannot help building the Kirin-Hueining and Changchun-Talai Railways in order that we may be militarily prepared. In time of war we can easily increase our forces and in time of peace we can send thousands upon thousands of people into this region to work on the rice-fields. This line offers the key to economic development as well as to military conquests.

In undertaking the Kirin-Hueining Railway, it is necessary to take advantage of the dry season and finish it at one stretch. The mountains it must go through are all granite. The tunnelling would need modern and up-to-date machinery. As to the sleepers and ballast required, there is an abundance all along the line. Limestone and clay for making tiles and brick are also to be had for the taking. Only rails, cars and locomotives have to brought in. The cost of construction could therefore be reduced at least 30 per cent and the time required 40 per cent.

Now, let us look into the economic interests along this line. According to the careful investigations of our General Staff and the South Manchuria Railway, the total reserve of timber is 200,000,000 tons. If one million tons are felled and imported to our country each year, it will last two hundred years. This will stop the import of American timber, which has been costing us Yen 80,000,000 to Yen 100,000,000 a year.

Although our information is reliable we cannot make it known to the world; for if China or Russia learns that we get so much timber from America, they would try to interfere with the construction of this line. Or else, the United States may buy from the Fengtein Government all the timber rights on the one hand to protect their own trade with us; on the other, to control the monopoly and incidentally kill our paper industry.

Kirin was known as "ocean of trees" even in the days of Emperor Chien-Lung. Added to the original forests are the growths in the intervening years since that time. Imagine the vastness of the resources! To transport this from Kirin to Osaka via Changchun and Dairen, is a distance of 1,385 miles. For every cubic foot, we have to spend 34 cents., and because of this high cost of transportation, we cannot compete with the United States. If the Kirin-Hueining Line is completed, the distance is reduced to about 700 miles. We can then ship timber to Osaka at the low rate of 13 cents per cubic foot. We can certainly defeat the timber importation from the United States then. Supposing we calculate the profit at Yen 5 per ton of timber and supposing there are two billion tons of timber, the construction of the railway will bring to us the easy profit of 10 billion yen. We will bar the import of American timber into our country. Furthermore, the industries of paper manufacture, furniture making, and wooden wares which the cheap timber makes possible will add 20 million yen more to our country's annual income.

There is also the Hsinchin coal-mine, which has a reserve of 600,000,000 tons of coal. The quality of this coal is superior to that of Fushun coal, easy to excavate, and suitable for the extraction of petroleum, agricultural fertilizers and other chemical by-products which we may both use at home and sell in China. There are numerous other advantages which will come to us from the building of the Kirin-Hueining Railway. It is all gain without labour. The coal will supplement the Fushun products. With both coal-mines in our control, we hold the key to the industries of ail China. Speaking of Hsinchin coal, we shall reap a profit of Yen 5 on each ton when it is shipped to Japan. With additional chemical by-products, we shall reap a profit of Yen 16 from each ton of coal. Taking an average of profit Yen 15 a ton, the total profit will amount to 200 billion yen. All this ".omes as a by-product from the operation of the Kirin-Hueining Railway. There are, besides, the gold mines along the Mutan River. The acquired rights of

the South Manchuria Railway in the gold-mines of Chiapikou in the province of Kirin and the timber in its neighbourhood will all be within reach of exploitation once the Kirin-Hueining Line is in operation.

In the vicinity of Tunhua agricultural products, such as oats, wheat, millet and kaoliang, yield an annual output of over a million catties. There are twenty distilleries of wines, thirty oil-mills yielding an annual output of about 600,000 catties of bean-cake, besides many places for making vermicelli. All these will depend upon the new railway. The trade along this road may be estimated at 4 billion Yen a year. The transportation charges of farm products alone will not only defray the running expenses, but also yield a net profit of Yen 200,000 a year. Including the profit from timber, coal and its by-products transported by the railway, we can safely count on a profit of Yen 8,000,000 a year. Besides, there are indirect benefits such as the strengthening of the South Manchuria Railway, the acquisition of rights over forests, mines and trade, as well as the migration of large numbers of our people into North Manchuria. Above all is the shortening of distance between Japan and the wealthy resources in North Manchuria. It only takes three hours from Chingchin to Hueining, three hours from Hueining to Sanfeng and three hours more from the Tumen river to Lungchingtsun. In 60 hours we can reach the wealth of North Manchuria. Hence the Kirin-Hueining Railroad alone can enable us to tap the immense wealth of North Manchuria.

5. *Hunchun-Hailin Railway.* This is 173 miles long and will cost Yen 24,000,000. All along this line are thick forests. In order to strengthen the Kirin-Hueining Railway and to exploit the forests and mines in North Manchuria, this line is needed. Furthermore, to transfer the prosperity of Vladivostok to Hueining, this line is urgently necessary. The greatest hope for prosperity, however, is the fact that south of Nanning and north of Tunhua there is Lake Chungpo which can be used to generate electric power. With this power we shall have control over the agricultural and industrial undertakings of the whole of Manchuria and Mongolia. No amount of China's agitation can matter in the least to our industrial developments. According to the investigations of the South Manchuria Railway, the water in the lake can generate at least 800,000 horsepower. With such an enormous quantity of electric power, the industrial conquest of Manchuria and Mongolia can be easily accomplished. In the neighbourhood of this immense power-plant there will be phenomenal growth of wealth. We must build this railway quickly,

in order to provide facilities for transportation. Lake Hsingkai, which is owned jointly by China and Russia, can also be developed for the generation of electricity. In order that these two countries may not combine to frustrate our plans, we should introduce a resolution in the International Conference of Electrical Engineering to be held in Tokyo this year, to the effect that in the same area of electricity supply there should not be two power plants. Besides, in the vicinity of Nilgata and Hailin, the Oju Paper Mill has acquired extensive rights of lumbering. They need the immediate establishment of the power-plant at Lake Chungpo and the early completion of the Hunchun-Hailin Railway in order to bring to the factory at home the raw materials growing wild in Mongolia.

Moreover, the reason that the Fengtien-Kirin-Wuchang Railway and the Kirin and Fengtien authorities intend to build the Wuchang Railway and the Kirin-Mukden Railway, with Hulutao or Tientsin as sea-port, is that they want to recover for themselves the wealth of North Manchuria. By building the Hunchun-Hilin Railway we shall not only strengthen in the Kirin-Hueining Railway, but also defeat the Chinese scheme and draw the wealth of Manchuria to Chingchin harbour. The transportation charges will be two-thirds less compared with the Chinese line and one-third less compared with the Siberian line. They canrlot compete with us. Our victory is a foregone conclusion.

The total trade in Manchuria is seven or eight billion yen a year, all of which is in our hands. The business we do in wool, cotton, soya beans, bean cakes, and iron, forms one-twentieth of the total volume of our world trade. And it is steadily increasing. But Namihaya-machi at Dairen (the wealthiest street in the city) is still in Chinese possession. The sad story goes further. Oil is a basic industry in Manchuria. We control only 6 percent of it. Of the 38 oil-mills in Yingkow, there is not one Japanese; of the 20 oil-mills in Autung there is only one Japanese, and of the 82 or 83 oil-mills in Dairen there are only seven owned by Japanese. This is by no means an optimistic outlook for us. In order to recover the lost ground, we must first of all develop transportation. Then, by securing a monopoly on both finished products and raw materials, we shall be able to gain the upper hand eventually. Furthermore, we ought to assist our people in the oil business by extending to them financial credit, so that the oil industry of the Chinese will be forced out of the market. There are many Chinese on Kawaguchi-

machi in Osaka who are dealers in our manufactured goods in Mongolia and Manchuria. They are strong competitors of our own business-men in China. Our people are greatly handicapped because of their high standard of living, which compels them to figure at a higher percentage of profit. On the other hand, the Chinese also have their disadvantages. The goods that they get are of an inferior quality, but the price that they pay is at least 10 per cent higher than what our own people pay. Besides they are also obliged to pay Yen 2.70 more than our people for every ton of goods transported, and yet they can undersell our merchants in Manchuria. It clearly shows the inability of our own people. When one thinks of it, it is really pathetic. The Chinese is single-handed, receiving no assistance from the Government. But the Japanese in Manchuria has every protection from the Government and long-term credit at a low rate of interest. Still there are innumerable cases of failures. Hereafter, we should organize a co-operative exporting house to China. The steamship lines and the South Manchuria Railway should give it special discounts, and the Government in Kwantung should extend to it financial credit at a very low rate of interest. Then we can hope to beat the Chinese merchants and recover our trade rights so that we may develop the special products of Manchuria and send them to all parts of the world.

The first step in gaining financial and commercial control of Manchuria and Mongolia lies in monopolizing the sale of their products. We must have monopoly rights for the sales of Manchurian and Mongolian products before we can carry out our continental policy and prevent the invasion of American capital as well as the influence of Chinese traders.

Although the products of Manchuria and Mongolia may go through any of the three ports, Dairen, Yingkow and Antung, nevertheless Dairen holds the key to the situation. Every year 7,200 ships pass through this port with a total tonnage of 11,565,000 tons. This represents 70 per cent, of the total trade of Manchuria and Mongolia. Fifteen navigation routes radiate out from it with definite sailing schedules. Most of it is coastal shipping. We have in our grasp the entire transportation system of Manchuria and Mongolia. The monopoly of sale of Manchuria's special products wil eventually come into our hands. When that is realized we can develop our oceanic transportation in order to defeat both Yingkow and Antung. The large quantities of beans which the central and southern parts of China consume will depend upon us entirely. More-

over, the Chinese are an oil-eating people. In time of war, we can cut off their oil-supply and the life of the whole country will become miserable. Bean-akes are important as fertilizers for the cultivation of rice. If we have control of the source of supply as well as the means of transportation, we shall be able to increase our production of rice by means of a cheap supply of bean-cakes and the fertilizers manufactured as by-products at the Fushun coal-mines. In this way, we shall have the agricultural work of all China dependent upon us. In case of war, we can put an embargo on bean-cakes as well as mineral fertilizers and forbid their exportation to Central and South China. Then China's production of food stuffs will be greatly reduced. This is one way of building up our continental empire which we must not overlook. We should remember that Europe and America also need large quantities of beans and bean-cakes. When we have the monopoly of the supplies and full control of transportation, both on land and sea, the countries which have need of the special products of Manchuria and Mongolia will have to seek our goodwill. In order to gain a trade monopoly in Manchuria and Mongolia, we must have control of the complete transportation system. Only then can we have the Chinese merchants under our thumb.

However, the Chinese are adepts in learning our tricks and beating us at our own game. We have yet found no way by which we can compete successfully with them in oil-making and sail-boat transportation. After building up the new system of transportation, our policy should be two-fold. On the one hand, wreck the sail-boat trade by means of heavy investments in our own system. On the other hand, encourage our men to learn all they can from the Chinese about the sail-boat business. Another thing we should be careful about is teaching the Chinese our industrial methods. In the past we have establishing factories in Manchuria and Mongolia and carried on industries near the source of raw materials. This gave to the Chinese the opportunity of learning our *secrets* and establishing competitive factories of their own. Hereafter, we should ship the raw materials back home and do the manufacturing there, and ship the finished products for sale in China and other countries. In this way we shall gain in three ways: (i) provide work for our unemployed at home, (2) prevent the influx of Chinese into Manchuria and Mongolia, and (3) make it impossible for the Chinese to imitate our new industrial methods. The iron of Pen-

hsihu and Anshan and the coal of Fushun should also be sent home to be turned into finished products.

For these considerations, the development of ocean transportation becomes all the more necessary. The Dairen Kisen Kaisha Company should be enlarged, and our government should extend to it loans at low interest through the South Manchuria Railway Company. By next year, we should complete 50,000 tons of new ships for oceanic transportation. That will be sufficient to dominate over the traffic of the East. For on the one hand, we have the South Manchuria Railway for land transportation; and on the other hand, we control the large quantities of products in Manchuria and Mongolia waiting to be transported. The success of these enlarged activities in oceanic transportation with Dairen as centre is assured by the iron laws of economics.

GOLD STANDARD CURRENCY NECESSARY.

Although Manchuria and Mongolia are within our field of activities, yet the legal tender there is still silver. It often conflicts with our gold basis and works to our disadvantage. That our people failed to prosper as they should in these places, is due to the existence of the silver monetary system there. The Chinese have persistently upheld the silver basis, and therefore have made it impossible for us firmly to establish our colonization plans on a firm economic foundation. We have suffered the following disadvantages:—

1. The money that we bring into Manchuria is of gold standard, When we use it either for daily livelihood or for industry and trade, it has to be exchanged into Chinese silver dollars. The fluctuation of exchange is not infrequently as much as 20 per cent, resulting in serious loss to our people. Speculation becomes a regular business and investing money becomes a matter of gambling. When one plans an investment of two hundred thousand yen, one may suddenly find that one's capital has been reduced to a hundred fifty or a hundred and sixty thousand dollars due to the drop in exchange. The creditor would then have to call in the loan, and business failures have often resulted.

2. The Chinese businessmen use silver money throughout and are free from the effects of exchange fluctuations. Therefore their "junk" trade is prosperous. Although they have no scientific knowledge of exchange values of gold and silver, they always gain in the transaction. They have a natural gift for it, we suffer the more. And we lose in spite of our control of transactions and special backing of banking houses. Because of the handicap of the monetary system,

people in Central and South China always buy beans and beancakes from their own people. We have no chance against them. In consequence, we cannot conquer the whole of China.

3. With the silver standard in existence, the Chinese Government can increase their notes to counteract our gold notes. Consequently, our banks will fail to carry out the mission of extending our country's influence.

4. If the gold standard is adopted, we can issue gold notes freely. With the credit of the gold notes we can acquire rights in real property and natural resources and defeat the credit of the Chinese silver notes. The Chinese will be unable to compete with us; and the currency of the whole of Manchuria and Mongolia will be in our control.

5. The Government Bank of the Three Eastern Provinces, the Bank of Communications, the Frontier Development Bank and the General Credit and Finance Corporation have in circulation silver notes amounting to 38,000,000 dollars. Their reserve funds in the form of buildings and goods are estimated at 1,350,000 dollars. It is natural that the Chinese notes should depreciate. It is only by acts of the Government that these notes are still in circulation. Until we have entirely discredited the Chinese silver notes, we can nevter place our gold notes in their proper place in Manchuria and Mongolia, much less obtain the monopoly of currency and finance in these two countries. With the depreciated and inconvertible silver notes, the Government of the Three Eastern Provinces buys all kinds of products, thus threatening our vested interests. When they sell these products, they demand gold from us which they keep for the purpose of wrecking our financial interests, including our trade rights in special products. For these reasons our gold notes are having a harder time and a gold standard for currency becomes the more urgently necessary.

In view of the above-mentioned considerations, we must overthrow Manchuria's inconvertible silver notes and divest the Government of its purchasing power. Then we can extend the use of our gold notes in the hope of dominating the ecomomy and finances of Manchuria and Mongolia. Furthermore, we can compel the authorities of the Three Eastern Provinces to employ Japanese financial advisers to help us gain supremacy in financial matters. When the Chinese notes are overthrown, our gold will take their places.

NECESSITY OF REORGANIZING THE SOUTH MANCHURIA RAILWAY.

The South Manchuria Railway Company functions in Manchuria as the Governor-General of Korea did in Korea before the annexation. In order to build up our new continental empire, we must change the organization of that Company so as to break away from the present

difficulties. The functions of this Company are varied and important. Every change of Cabinet affects the administration of the South Manchuria Railway, and conversely every activity of the South Manchuria Railway also has important consequences on the Cabinet. This is because the South Manchuria Railway is semi-governmental, with final authority resting in the Cabinet. For this reason, the Powers invariably look upon the railway as a purely political organ rather than a business enterprise. Whenever a new move is made for the development of Manchuria and Mongolia, the Powers invoke the Nine-Power Treaty to thwart the plans of the South Manchuria Railway. This has greatly damaged the interests of our empire.

Considered from the point of view of domestic administration the South Manchuria Railway is subject to a quadruple control. There are the Governor of Kwantung, the Chief Executive of Dairen, the Consul-General of Mukden, besides the President of the South Manchuria Railway himself. These four officers must meet and exchange views at Dairen before anything is undertaken. What is discussed in the meeting held in camera often leaks out to the Chinese authorities of the Three Eastern Provinces. They in turn would try to obstruct any forward movements of the South Manchuria Railway. Before any decision is carried out it again has to run the gauntlet of the Departments of Foreign Affairs, Railways, Finance, and the Army. If these Ministers do not agree, the matter is dropped. Therefore, although the present Prime Minister realizes his own incompetence, he has nevertheless taken concurrently the portfolio of foreign affairs, so that our plans may be swift and decisive. On account of these reasons, the South Manchuria Railway should be radically re-organized. All appurtenant enterprises which are profit-making should be made independent companies under the wing of the South Manchuria Railway, so that we may take determined steps for the conquest of Manchuria and Mongolia. On the other hand, Chinese, Europeans and Americans should be invited to invest money in the South Manchuria Railway provided that we have a preponderance of its stocks. In that event the control of the Company is in our hands, and our mission from the empire can be discharged more vigorously. In short, by inviting international participation in the South Manchuria Railway, we can blind the eyes of the world. Having achieved that, we can push our advance in Manchuria and Mongolia at our will

free ourselves from the restraint of the Nine Power Treaty and strengthen our activities in that country with foreign capital.

The important appurtenant enterprises of the South Manchuria Railway are:—

1. *Iron and Steel.*—Iron **and** steel are closely connected with national development. Every country today attaches great importance to them, but because of lack of ore, we have found no solution to this problem. Hitherto we have had to import supplies from the Yangtsze Valley and the Malay Peninsula. But according to a secret survey of our General Staff, a wealth of iron-mines are found in many places in Manchuria and Mongolia. A conservative estimate of the reserve is 10 million tons. At first when there was a lack of technique, the Anshan Iron and Steel Works were involved in an annual loss of Yen 3,000,000. Later, new methods were discovered, and the technique developed so that during 1926 the loss was only Yen 150,000 and a year later there was a profit of Yen 800,000. If the furnace is improved, we ought to earn at least Yen 4,000,000 a year. The quality of the ore at Penhsihu is excellent. By amalgamating the Penhsihu and Anshan Iron Works, we shall have the comfort of being self-sufficient in iron and steel.

The iron deposits in Manchuria and Mongolia are estimated at 1,200,000,000 tons; and coal deposits, 2,500,000,000 tons. This **coal** ought to be sufficient for smelting the iron-ore. With such large amounts of iron and coal at our disposal, we ought to be self-sufficient for at least seventy years. At the rate of $100 profit on each ton of steel, for 350,000,000 tons of stieel we shall have a profit of Yen 35,000,000,000. This is a tremndous asset to our economic resources. We shall save the expense of Yen 120,000,000 which we pay for the importation of steel every year. When we can have sufficient iron and steel for our own industries, we shall have acquired the secret for becoming the leading nation in the world. Thus strengthened, we can conquer both the East and the West. In order to attain this goal, the iron-works must be separated from the South Manchuria Railway. Such unified control will keep China from preventing us becoming self-sufficient in iron and steel.

2. *Petroleum.*—Another important commodity which we lack is petroleum, which is essential to the existence of a nation. Fortunately, there lie in the Fushun coal-mines 5,200,000,000 tons of shale oil, from every hundred catties of which six catties of crude oil may be extracted. By means of American machinery, every hundred catties will yield nine catties of refined oil good for motor cars and battleships. At present, Japan imports from foreign countries 700,000 tons of mineral oil every year valued at Yen 60,000,000. These figures **are**

mines, the yield calculated at five per cent would be 250,000,000 tons; at nine per cent, 450,000,000 tens of oil. Taking an average of the two, the yield would be 350,000,000 tons, and assuming the value of the oil to be fifteen yen a ton, the oil shale contained in the Fushun Mine would bring us Yen 2,250,000,000. This will be a great industrial revolution for us. From the standpoint of national defence and national wealth, petroleum is a great factor. Having the iron and petroleum of Manchuria, our army and navy will become impregnable walls of defence. That Manchuria and Mongolia are the heart and liver of our empire, is a truthful saying. For the sake of our empire, we should be congratulated.

AGRICULTURAL FERTILIZERS AND OTHER PRODUCTS.

Agricultural fertilizer is a great necessity for the production of food stuffs. Chemical fertilizers depend upon the ammonia sulphate extracted form coal, and Fushun coal yields especially good results. At present, our total consumption of ammonia sulphate is 500,000 tons. Of this, only half is manufactured at home, using the coal from the Kailan or Fushun Mining Companies. The remaining half is imported from abroad at the cost of Yen 35,000,000 a year. With our agricultural work daily increasing and in view of the development of our new empire in Manchuria and Mongolia, we shall easily need 1,000,000 tons of ammonia sulphate every year during the next ten years. From the soot gathered from the burning of Fushun coal used for the manufacture of steel, we could produce large quantities of ammonia sulphate. If the yield is put at 300,000 tons a year we shall add an annual income of more than Yen 40,000,000. In fifty years, this will mount up to Yen 2,000,000,000. This money could be used for the improvement of our agriculture. If there is any surplus, we can buy bean-cakes with it and then invade the farms all over China and in the South Sea Islands. In order to accomplish this, we must separate this enterprise from the South Manchuria Railway. We shall then be able to control the fertilizers of the Far East.

We import 100,000 tons of soda ash at the cost of more than Yen 10,000,000 a year. Both soda and soda ash arc valuable materials for military and industrial purposes. Soda is derived from nothing more than salt and coal, both of which are cheap and abundant in Manchuria and Mongolia. If we go into this manufacture, we can supply not only ourselves but can also sell it to China with a view to controlling its industrial products. We ought to gain from it a profit of at least Yen

15,000,000 a year. We can also supply our own military and chemical needs. Again this industry must be separated from the South Manchuria Railway.

According to the independent surveys of the South Manchuria Railway Company and Dr. Honta of Tohoku University, magnesite and aluminium promise sound business (in Manchuria). Magnesite is found in the neighbourhood of Tashichiao, aluminium in the vicinity of Yentai. The deposit is one of the largest in the world. A ton of magnesite is worth Yen 2,000 and a ton of aluminium is worth about Yen 1,700. An evaluation of the deposits of both minerals in Manchuria is Yen 750,000,000. These substances are especially useful for making aeroplanes, mess-kits for the army, hospital apparatus and vessels, and in other important industries. The United States alone has extensive deposits of these substances. The output of our country is one ton a year. Such materials are becoming more useful every day, but the supply is insufficient. Their prices are growing high, as if never reaching a limit. The deposits in our territory of Manchuria and Mongolia are nothing less than a God-sent gift. The metals are really precious, being indispensable to both our industry and national existence. This also should be made an independent business, separate from the South Manchuria Railway. Manufacture should be in Japan, so as to keep the Fengtien Government from imitating it on the one hand and to avoid the watchful eyes of British and American capitalists on the other. After we have gained control of them in the Three Eastern Provinces, we may harness the water-power of the Yalu River to work on these metal ores. In view of the development of aircraft, in the future all the world will come to us for the materials necessary for aeronautics.

If all the enterprises mentioned above are made independent undertakings, they would make rapid progress and bring us at least a profit of 60 billion yen a year. The industrial development in South Manchuria means much to our national defence and economic progress. It will help us to build the foundation of an industrial empire. As to cultural undertakings such as hospitals, schools, and philanthropic institutions, they are our signal-towers in the advance into Manchuria and Mongolia. They are the institutions for spreading our national prestige and power. More specifically, they are the baits for rights and privileges. Let us separate all these from the South Manchuria Railway

in order that we may redouble our efforts and advance into North Manchuria to claim the sources of great wealth there.

When these important undertakings become independent and free to develop without the interference of our officials, they will naturally become channels of national prosperity. On the wings of economic development, we could make rapid advance without arousing either the suspicion of the Powers or the anti-Japanese activities of the people of the Three Eastern Provinces. Such hidden methods would enable us to build the new continental empire with ease and efficiency.

The foreign loans for the South Manchuria Railway must be confined to those railroads already completed. Other railways built by us but nominally under Chinese control, can either be amalgamated with the completed lines or made independent according to the desire of the investing nations. The slogan of "Equal Opportunity" helps us to get foreign loans as well as to dispel suspicion of our designs in North Manchuria. At any rate, we shall need foreign capital to develop our continental empire. When the South Manchuria Railway is open to foreign investments, the Powers will be glad to lend more to us and China can do nothing to block it. This is an excellent way to further our plans in Manchuria. We should lose no time in doing it. As to the wealth concentrated in the northern part of Manchuria and Mongolia, we should do likewise. The two new railways from Kirin to Hueining and from Changchun to Talai, as well as the lumber and mining interests, should also be managed as separate institutions.

The South Manchuria Railway will also be greatly enriched by our exploits in North Manchuria. Already Chinese immigrants are pouring into South Manchuria in large numbers. Their position will become stronger every day. As the right of renting land in the interior is not yet secured, our immigrants are gradually losing ground. Even if our Government's backing will maintain our people there, they cannot compete with the Chinese due to the latter's low standard of living. Our only chance now is to defeat the Chinese by heavy capitalization. This again necessitates the use of foreign loans. This is so, especially because the riches of North Manchuria are not accessible even to the Chinese immigrants. We must seize the present opportunity, and hasten the progress of immigration by our own people and take possession of all rights there so as to shut out the Chinese. But in order to encourage immigration, rapid transportation is essential. This will both afford

facilities to our people and bring the natural resources there to the would-be market. Moreover, both Russia and ourselves have been increasing armaments. On account of the geographical position, we have conflicting interests. If we want to obtain the wealth of North Manchuria and to build up the new continent according to the will of Emperor Meiji, we must rush our people into North Manchuria first and seek to break the friendship between Russia and China. In this way, we can enjoy the wealth of North Manchuria and hold at bay both Russia and China. In case of war, our immigrants in North Manchuria will combine with our forces in South Manchuria, and at one stroke settle the problem forever. In case this is not possible, they can still maintain their own in North Manchuria and supply the rest of us with foodstuffs and raw materials. As the interests of North Manchuria and our country are so wrapped up, we should march directly into North Manchuria and pursue our settled policy.

THE NECESSITY OF ESTABLISHING A COLONIAL DEPARTMENT

Our exploitation of Manchuria takes a variety of forms. Often those in authority take such different views that even the most profitable undertaking for our country cannot be carried out. Because of lack of speed, our secrets are often exposed and are made propaganda materials by the Mukden Government much to the detriment of our country's international relations. Whenever a new undertaking is projected in Manchuria and Mongolia, it becomes the subject of discussion at tens of meetings and conferences in Dairen. Not only the approval of the four-headed Government there is necessary, but also the sanction of the Cabinet at home has to be secured before anything can be carried out. Because of all these obstacles, any undertaking will take months and months before definite results are seen. In the process it is possible for the Chinese to employ Japanese adventurers to steal our secrets, so that before a project is launched it is often reported to the Chinese and in turn it becomes common property of the world. We are suddenly brought under the check of world opinion, and more than once we have incurred hardship in putting into practice our policy toward Manchuria and Mongolia. Furthermore, the Opposition party has also made capital out of what they find in these regions in order to attack the Government. All these things seriously affect our diplomatic relations. Henceforth, we must change our practice in order to proceed adroitly. The centre of control must be in Tokyo. That will (i)

insure secrecy, (2) stop China from knowing beforehand our plans, (3) avoid the suspicion of the Powers before a thing is done, (4) unify the multiple control in Manchuria and (5) bring the Government agencies in Manchuria and Mongolia in close touch with the Central Government so as to deal with China with united force. For these reasons we should follow the original plan for absorbing Korea laid down by Ito and Katsura and establish a Colonial Department, the special function of which is to look after the expansion in Manchuria and Mongolia. The administration of Formosa, Korea and Saghalien Island may be its nominal function, but our expansion in Manchuria and Mongolia is its real purpose. This will blind the eyes of the world on the one hand and forestall the disclosure of secrets on the other.

It is my personal conviction that the fact that the absorption of Korea could not be effected during the Administration of Ito, was due to the lack of a special Office for control. Therefore, there were always differences of opinion and secret policies were impossible. Such a state of affairs played into the hands of international obstruction and Korean opposition. Then a number of propagandists went to Europe and America as well as Korea itself, declaring that we firmly respected the independence of Korea and had no designs on an inch of Korean territory. The result of their work was the recovery of international confidence. After that, a Colonial Department was established under the pretence of supervising the administration of Formosa. Then we seized the opportunity and the object was gained! It goes to prove that in order to undertake colonization and immigration, a special Office for the same is absolutely necessary. Moreover, the creation of a new empire in Mongolia and Manchuria is of utmost importance to the existence of Japan. It is necessary to have a special Colonial Office in order that the politics in that vast territory may be controlled from Tokyo. The officers in the field should only take orders: they should not interfere with the execution of policies whenever they please. This will insure secrecy; and the other Powers will have no chance of knowing the secrets of our colonial activities. Then our activities regarding Mongolia and Manchuria will be beyond the reach of international public opinion, and we shall be free from interference.

As to the subsidiary enterprises of the South Manchuria Railway such as the Development Company, the Land Company, and the Trust Company, the power of supervision and planning should also be in

the Colonial Office. They should all be under united control, in order that they may all help in the general policy of expansion in Mongolia and Manchuria of the Imperial Government and complete the creation of the new empire.

TALING RIVER VALLEY OF PEKING-MUKDEN RAILWAY.

The Taling River Valley is a wide area, sparsely populated but infested with bandits. Many Koreans have made investments there, especially in rice-fields. Judging from its resources, this region is bound to be prosperous. It will also be an advantageous foothold for us if we want to expand into the Jehol region. We should give full protection to our Korean subjects here and wait for an opportunity to secure from China the right of colonization, so that our immigrants may live here and act as our vanguards to Jehol and Mongolia. In case of warfare, this valley will be a strategic point to quarter large armies of soldiers. We shall then not only prevent the Chinese army from advancing north but also hold the key to the immense wealth of South Manchuria. When Koreans come into this region we should finance them through our trust and other financial organs with a view to gaining for these organs the actual ownership, while the Koreans may be left in possession of the lands as pasturages for their herds. This is a convenient way of securing land titles from the Chinese Government. Henceforth the trust companies and financial organs should give them full backing when our own and Korean subjects wish to gain land ownership. Through the ownership of land we shall gain control of the better rice-fields, which we may give to our own emigrants. They will displace the Koreans who in turn will go on opening new fields, to deliver to the convenient use of our own people. This is the policy with respect to the colonization of rice-fields and bean-farms. As to the policy for herd-farming, the Development Company should be especially entrusted gradually to expand, eventually placing all the financial organs under its control. This company may also take care of horse-breeding and select the best out of Mongolia for the use of our national defence.

PRECAUTION AGAINST CHINESE MIGRATION.

Recently internal disturbances in China have driven large hordes of immigrants into Mongolia and Manchuria, thereby threatening the advance of our migration. For the sake of our activities in this field we should not fail to take precautions. The fact that the Chinese Government welcomes this migration and does nothing to hold back the tide

conflicts our policy very seriously. A noted American sinologue has made the statement that the Mukden authorities are carrying our such effective government that all people are moving into their territory. Therefore, the influx of immigrants is looked upon as a mark of effective government by the Mukden authorities. We of course are concerned. Unless we put a stop to it, in less than ten years our own policy of emigration will prove an instrument for China to crush us with. Politically, we must use police force to check this tendency as much as possible, and, economically, our financiers should drive the Chinese out with low wages. Furthermore, we must develop and expand electric power to displace human labor. This will keep out Chinese immigrants as well as monopolize the control of motor force as a first step toward controlling the industrial development of this vast region.

HOSPITALS AND SCHOOLS.

Hospitals and schools in Manchuria must be independent of the South Manchuria Railway, for the people have often considered them as institutions of imperialism and refuse to have anything to do with them. When these are separated and made independent institutions we shall be able to make the people realize our goodness, so that they will feel thankful to us____But in establishing schools emphasis should be laid on normal schools for men and women. Through these in educational work we may substantially build up good-will among the people towards Japan. This is the first principle of our cultural programme.

V. THE MANCHURIAN "INCIDENT" OF 1931.

By DR. BEN DORFMAN.

(The following article is reproduced from Harper's Magazine ***for*** *September, 1934. In 1931 the University of California awarded Dr. Ben Dorfman the William Harrison Mills Fellowship in International Relations for the purpose of making a study of Japan's economic position in Manchuria. He arrived there on September 3, 1931, and so had* ***the*** *opportunity of witnessing at first-hand the transformation of* ***a Chinese*** *Manchuria into a fapanese-creatcd "Manchu\uo." Dr. Dorfman* ***was*** *on his way bac\ to the United States when he was invited to assist* ***the*** *Lytton Commission as an economic expert, and wrote several studies which are included in the League of Nations "supplement" to the Lytton Report, but his investigations of the September "incident" were conducted solely on his own behalf as an interested and impartial observer of events.)*

It is now three years since a sorely tried world was stunned by the news-flash that the Japanese military had seized a large portion of Manchuria. This followed immediately after what has come to be known variously as the "Manchurian Incident," the "Mukden Incident," the "Peitaying Incident," or the "September 18 (1931) Incident." [v]

Although much has been written about this "incident," few of the accounts are satisfactory, and the great bulk of them are altogether lacking in accuracy and important detail. But this is not strange, for many of the early news dispatches were contradictory, biased, garbled, and inspired; and the official statements issued by the Japanese and Chinese governments served only still further to confuse and bewilder. Miscaptioned photographs from Manchuria likewise helped to create erroneous impressions. It was chiefly from this potpourri of truths, part-truths, and untruths that writers and speakers abroad generally formulated their versions of what had probably happened. The first books on the Manchurian controversy, it will be recalled, were hurriedly written, thousands of miles away from the scene of activity, by authors who were compelled to work largely from newspaper clippings and

the official Japanese and Chinese statements. These authors were, therefore, in no position to evaluate the evidence satisfactorily. "Neutral" governments with consuls and military or other observers in Manchuria were well informed, but for the most part were constrained to a judicious silence because of diplomatic considerations. Not until the League of Nations' Commission, headed by Lord Lytton, published its report at the end of 1932 did the world feel that it had an unbiased version.

But the Lytton Commission, as it pointed out in the introduction to its report, "insisted less on the responsibility for past actions than on the necessity of finding means to avoid their repetition in the future." It accordingly rendered an account which, while unbiased, is sufficiently ambiguous to lend itself to misinterpretation, and which, in fact, has quite generally been misinterpreted. And some of the misinterpretations have inspired much scholarly piffle. Since the Lytton Report was published, a number of books dealing with the Manchurian controversy have made their appearance. But in so far as these touch upon the "incident," they are for the most part simply rehashes of earlier writings, and in several notable instances approximate the facts even less closely than did their predecessors.

At present there are few persons, even among those who have diligently studied the considerable literature on the Manchurian controversy, who have a clear-cut notion of the important facts which were and were not established concerning the "incident." Since the Sino-Japanese hostilities were allegedly precipitated by this "incident," it is sufficiently important to warrant as accurate a description as available data make possible. Actually the Japanese did not establish that the "incident" ever took place, and there exist grave doubts that any informed person of Foreign Office—Japanese included—believes that it did take, or could have taken, place as the Japanese explained in their various official accounts. Certainly the Lytton Commission was not at all convinced. The chief intent of this article is to indicate the bases for these general misgivings.

In presenting the following narrative, I in no way wish to convey the impression that because I reject Japan's formal pretext for her military operations in Manchuria, I thereby endorse the view that Japan had no "legal" case against China, or that her "all-around" case was not even stronger than her "legal" one. Many of the treaties which related to Manchuria were so conflicting, and were couched in such

comfortably ambiguous terms, that it would have been impossible for both China and Japan "legally" *to* have enjoyed all of the treaty rights each claimed. Moreover, a growing Chinese nationalism insisted on the scrapping of all treaties which China regarded as "unilateral" or "unequal." The multilateral treaties to which China and Japan were signatories also introduced difficulties. According to many, they created vicious "legal" fictions, and imposed obligations on various of the signatories which they would be unable or unwilling to assume when the occasion required. Non-"legal" issues and problems also generated Sino-Japanese friction. Both countries felt that the control of Manchuria was vital to their economic welfare. Japan even regarded Manchuria as her life-line. No other region in the world, she felt, offered such promise for solving her acute population and industrial problems. Furthermore, with Russia growing stronger month by month, Japanese militarists felt that Japan would lack adequate security unless she completely dominated Manchuria. These same militarists entertained certain "expansionist" ambitions as well. The Japanese also had an enormous sentimental attachment for Manchuria because of the blood and treasure the region had cost them in previous wars. The above were probably the primary causes of the Sino-Japanese conflict. The "incident" was simply the immediate pretext.

I was in Harbin, Manchuria, *on.* September 18, 1931, and learned of the outbreak of hostilities on the following morning. The dispatches which first reached the city, I discovered later, were similar to those which were sent elsewhere. (They even included the completely unfounded but still widely believed and circulated story that some Chinese soldiers had blown up a railroad bridge near Mukden). The first official Japanese explanation (which was placarded in Chinese characters throughout the seized areas immediately after the outbreak of hostilities) proclaimed the following, which I take from the official English translation supplied to mc by the Japanese military, copies of which they also posted in a number of places frequented by foreigners:—

PROCLAMATION.

At 10.30 p.m., September 18, 1931, a corps of troops belonging to the Northeastern Army damaged our South Manchuria Railway with explosives near Pei-Ta-Ying (the North Barracks), northwest of Mukden, and employing additional forces attacked the Japanese guard, thereby precipitating hostilities. The South Manchuria Railway is the property of the Japanese Empire legally obtained through

international treaty, and we will not permit any other country to "lay a finger on it." The Northeastern Army of China has not only dared to destroy the railway but has also opened fire upon the Imperial Japanese troops. The action on the part of the Northeastern Army is undoubtedly a challenge to our Empire.

Examining the constantly recurring incidents in violation of Japanese rights and interests and the numerous cases of insults to Japanese which have occurred throughout the territory, it is apparent that these actions are not caused by a passing feeling. They are the studied plan of the Northeastern Army which has accustomed to disregard international ethics and to insult the Japanese. If we permit them to continue without bringing them to account, I fear consequences of a very serious nature. I consider, however, that these actions do not represent the feeling of the Chinese people but are instigated by ambitious Chinese militarists.

In view of the heavy responsibility of protecting the South Manchuria Railway I do not hesitate in taking drastic measures to maintain the vested rights and interests and to make secure the prestige of the Imperial Japanese Army. The action of our Army is for the purpose of "teaching the Northeastern Army a lesson" because of its outrageous conduct and is not directed against the Chinese civilian population.

I have been deeply concerned over this matter and I have already instructed my subordinates of this principle and have ordered them to use every energy to care for the safety and welfare of the Chinese population.

It is my sincere desire therefore that the Chinese people shall settle down to their customary occupations, and not flee because of fear or suspicions. I must state, however, that, without the slightest exception, drastic measures will be taken against those daring to attempt any action prejudicial to the Imperial Army.

(SIGNED) S.HON JO, LIEUTENANT GENERAL,
Commander-in-Chief,
Imperial Japanese Kwantung Army.

The *Manchuria Daily News*, an "English" organ subsidized by the South Manchuria Railway Company, took its customary hilarious liberties in giving a condensed version of the above in its issue of September 21, appending to it the editor's succulent summary:

"At 10:30 a.m. (p.m.?) on September 18, 1931, the Chinese troops at North Barracks blew up the S. M. R. track and then attacked the Japanese Railway Guard (Hushihtai).

"When the Chinese regulars, taking advantage of late night blew up the S. M. R. track on the world's travel highway and had the nerve and cheek to surprise the Japanese Railway Guard, what army with a grain of grit left could remain still passive, and ask thei Consular representatives or whoever else concerned to lodge an empty protest (like water thrown at a toad) ?

"The Kwantung Army being held responsible for the protection of the S. M. Railway, Lt.-Gen. Honjo hastened with his staff before daybreak to Mukden by train, and ordered attacks opened on all Chinese regulars in South Manchuria.

"The Chinese regulars were the aggressors in the present case.

"The Japanese Army did hit back in self-defence.

"The Japanese soldiers' blood boiling in rage might have delivered their attack with redoubled ferocity but, as the saying runs: 'All is fair in War and Love.'

"The above is the truth in the nutshell."

While the actual capture of Mukden and other strategic points in South Manchuria came as a surprise, many persons in Manchuria had long been expecting the Japanese Army "to do something." Earlier in the year Chinese soldiers had "murdered" Captain Nakamura, a Japanese military officer who had traveled into a bandit-infested part of Manchuria on a passport which described him as an agricultural expert. This incident served further to embitter Sino-Japanese relations, which had already been in a critical state for many months previous. The Japanese Army had turned the "Nakamura butchery case" to good purpose in enlisting popular support for a "military solution" to the Majichurian problem. The murdering of Nakamura, it had intimated, was not only an insult to the Imperial Army but to the Japanese Emperor and the whole Japanese nation. The press had hinted almost daily that the Japanese Army was going to take action. The following-quoted from the *Harbin Observer* of September 10, 1931—is typical of the dispatches which were regularly appearing in papers in Manchuria and **Japan:**

Tokyo, September 9, 1931.—Determined to secure full satisfaction even if the Chinese continue to play the shrinking game concerning the Capt. Nakamura Butchery Case, the Army people are conferring with the Foreign Ministry about the steps to be taken. If Japan's hand should be forced, it would be played at a stroke, according to the Army people. Mr. Yamaji (Chief Secretary of the Minseito) has called at the Foreign Ministry as to what retaliation to make. Both War Minister Minami and Chief Kanaya of the General Staff

are at one as regards the final recourse, and have dropped a hint to the Kwantung Army to be on the lookout.

It was close to the end of July (1931) when the Japanese first notified the Chinese authorities that Nakamura had been murdered by Chinese soldiers a month before. On August 17 the Japanese military in Mukden for the first time publicly released their version of the murder. On this same day Governor Tsang Shih-Yi of Liaoning Province (of which Mukden was the capital) assured the Japanese that the Chinese would investigate at once. He accordingly appointed two persons to proceed to the scene of the alleged murder and to report their findings as quickly as possible. These men returned to Mukden on September 3 with findings which the Japanese (who were just completing their own investigations) rejected as being indecisive and unsatisfactory. The Japanese insisted that the Chinese should conduct another investigation immediately. The situation was becoming tense. Japanese mass meetings and demonstrations in Japan, Korea, China proper, and Manchuria, fully encouraged by the Japanese military, were urging that the Chinese "be taught a lesson." Marshal Chang Hsueh-Liang, the overlord of Manchuria, who was in a Peiping (Peking) hospital at the time, became so alarmed that he ordered a second investigation of the Nakamura case to be made immediately.

On September 12 the Japanese Consul-General in Mukden was quoted as reporting to the Japanese Foreign Office that an "amicable settlement would probably be made after the return of the investigators to Mukden." On September 16 Chang Hsueh-Liang's second "Commission of Inquiry" returned to Mukden from the scene of the Nakamura incident. On the afternoon of September 18 the Chinese authorities in a formal conference with the Japanese consular officials in Mukden admitted Chinese responsibility for killing Nakamura and declared that the guilty parties would be tried within a week by a military court-martial. It thus appeared on the afternoon of September 18—outwardly at least—that the Nakamura case was about to be settled diplomatically, despite the repeated accusations from the Japanese military that Chinese were "procrastinating" and were "insincere."

That very night, however, the alleged damaging of the South Manchuria Railway tracks took place, and it became apparent that neither the Nakamura case nor any of the other Sino-Japanese issues in Manchuria would be settled by pacific means.

II

As I previously mentioned, I was in Harbin when hostilities broke out. Shortly after regular rail communication to the South was re-established, I departed for Mukden, where I was to learn more about the "incident"

In Mukden I chanced upon a newspaper acquaintance through whose good offices I was permitted to attend the Japanese press conferences. These were usually held twice daily in a small room adjoining the bar of Mukden's luxurious, Japanese-owned Yamato Hotel. (The fact that one could enter or depart from the press room only via the bar, occasionally had more of a bearing on the news emanating from Mukden than would be discreet to mention.) The conferences were in charge of a very genial Japanese Major, whose English and sense of humour were fairly good and who did his utmost to be agreeable. Most of the foreign correspondents, I believe, had a fond, sympathetic regard for him, so much so in fact, that they tried not to embarrass him even when he read official communiques which were so obviously false as to coax a faint smile from the Major himself.

The Major's chief duties were to give the Japanese military's official version of daily happenings, to "explain the true facts" to those correspondents who "misunderstood" or "misinterpreted" events, and to distribute from time to time mimeographed "explanations" (in English) of the more important events which the Army suspected would not be properly understood. The Major's work was not easy. Many of the official military communiques were not only clearly contradictory, but were at variance with the Japanese consular explanations. (It must be appreciated that at the outset, the Japanese Consuls in Manchuria knew very little more of their military's activities than did the other foreign^ consuls.) And the official military versions were often diametrically opposed to what the correspondents could witness with their own eyes. Nevertheless, the Major carried on like a good soldier and "explained" almost everything he was asked, if not always to the satisfaction of the correspondents, at least to that of his superiors.

The Major was almost embarrassed the day I met him. "War" news was scanty—Chinese "bandits" had not even massacred any Koreans the previous day—so the correspondents asked the Major a few questions. One of them concerned the censoring of outgoing dispatches. The Major explained that he himself was the censor and that he would be

glad to remain after the conferences long enough to pass on **the** cables. This explanation Was particularly interesting, since earlier in the day the Japanese Consulate had informed several of the correspondents that outgoing news dispatches were not being censored at all I Another question which the Major was asked was about the rumours that the Japanese Army was using the motor trucks seized from Chang Hsueh-Liang's arsenal. The Major insisted that the rumours were groundless. While he was insisting, however, he was interrupted by noises emanating from a sputtering motor engine. Several of us near the window looked out. Two Japanese soldiers were trying to start a stalled motor truck with whose eccentricities they were obviously not Well acquainted. The truck was one of the new Chevrolets taken from the Chinese arsenal! The Major quickly gathered the significance of the smile on the face of one of the American correspondents—-one who a few weeks before had been an employee in Chang Hsueh-Liang's arsenal—and then began to answer other questions.

The Japanese military were particularly anxious "to explain the true facts" in the Mukden "incident" to foreigners. They frequently escorted parties of journalists, lecturers, military attaches, consuls, and others to the spot where the explosion had allegedly taken place and to the near-by Chinese barracks. They allowed these parties to examine certain "evidence" and provided them with photographs and the various official explanations, some of the latter of which had been prepared by the Japanese officers who participated in the initial clashes. Military officers not only acted as guides and interpreters on the excursions but often volunteered fresh "explanations" which were as difficult to reconcile with the official printed and mimeographed versions as these later were with the one another. Through the kindness of the Major I was permitted to join one of the inspection parties. Before going on the trip, however, I interviewed a number of foreigners who were in Mukden on the night of September 18 and several of the newspaper correspondents who had arrived there shortly afterward. From them I learned that the Japanese had permitted no foreigner to visit the scene of the alleged wreckage until September 23.

One of the American correspondents called on Mr. Morishima, the Japanese Consul-General in Mukden, on September 19 and asked for permission to visit the place where the damage was said to have been done. The Consul-General explained that the slight damage **had**

been repaired promptly and that there was now no point in visiting the spot, as there was nothing to see. The same evening this same journalist attempted to obtain a permit from Major Usuda to visit the spot. The Major courteously explained that the track had been promptly repaired and that there was now no use in going there. Besides, he added, such a trip would be hazardous. Scattered bands of Chinese soldiers might rob or injure a visitor. The correspondent expressed his gratitude for the Major's concern over his well-being, but also made known his desire to take a chance if only the Major wiould give him a permit. The Major then replied that he really had no authority to issue such a permit since the place in question was on the Manchuria Railway Company's property. (The place and all approaches to it, however, were then being guarded by Japanese troops.) The persistent correspondent next asked if the Major would then be willing to address a note to the South Manchuria Railway authorities stating that there was no objection to the correspondent visiting the scene. The Major did not answer the question directly but declared that matters were too unsettled, too uncertain, too unsafe at the moment, but that within a few days he would himself invite a party of journalists and other interested parties to visit the scene. The correspondent thanked the Major for his courtesy. He did not think it judicious to inquire how the Major could arrange to escort visitors to the scene a few days later when only two minutes before the Major denied having any such authority.

Other persons who attempted to visit the scene of the "incident" met with similar difficulties. On September 23, however, the Japanese military, after having first taken Japanese correspondents to the scene, escorted a number of foreign journalists, military attaches, and others to it. -These persons saw essentially what I was to see on my visit. The bodies of the dead Chinese alongside of the tracks were not as badly decomposed at that time as when I saw them, however. And the debris which resulted from the alleged track explosion had not yet been removed to what some of the foreign correspondents called "the chamber of horrors." This was the room in the Japanese Military Headquarters where the Japanese displayed their tangible "evidence" against the Chinese and where they exhibited hundreds of photographs purporting to show a fraction of the mischief perpetrated agaiust them by the Chinese.

During my visit to the "chamber of horrors" I examined the track explosion evidence. It consisted chiefly of two shattered wooden tics, some broken and bent bits of rail and fish-plates, a thirty-one-inch section of rail from which the upper flange had been partly blown off, a bayoneted gun, and three bullet-pierced, Chinese soldiers* hats. The gun and hats, I was told, had belonged to some of the Chinese who helped blow up the track. The Japanese did not save the entire sections of the allegedly damaged rails but only the blown bits. They regarded this pile of debris as "Exhibit A" in their case against the Chinese. My Japanese guide i then showed me dozens of photographs, and gave me a number which the Japanese military had taken along the railroad right-of-way shortly after the explosion. These showed the bodies of several of the "guilty" Chinese, their bloodstains on the rock roadbed, and the repaired track. No photograph, I was told, was ever taken by the Japanese military or anyone else of the track in its allegedly damaged condition. (A number of photographs purporting to have been, however, were widely distributed and appeared in responsible publications the world over.) My Japanese guide, in courteously bidding me adieu, assured me that when I had pieced together the evidence I had just examined with what I was to see and learn on my trip to Peitaying, I then should not entertain the slightest doubts concerning the Chinese attack of September 18.

Ill

Our trip to Peitaying was made in a one-coach train especially provided for us by the Japanese military. Our first stop was at the scene of the alleged explosion, a point some several miles north of Mukden and about one-half mile south of the Chinese barracks (Peitaying). There was now, of course, nothing to indicate that any damage had previously been done to the track. Some new ties and rails were in evidence, however.

Near the repaired track was a maggot-covered body of a Chinese in a soldier's uniform. We were told that he was one of the soldiers whom the Japanese guards had caught "red-handed" and shot down while he was attempting to escape. Farther along the track we saw a few other putrefying Chinese bodies. These had been brought down under similar circumstances, we were told. (So much importance did the Japanese attach to the existence of these Chinese bodies near the South Manchuria Railway tracks that they kept them on exhibit for

at least one month.) Our Japanese escorts called attention to the fact that all of the dead Chinese were pointing due north. This, they felt, was proof that the Chinese soldiers were running away from the explosion and toward their barracks when they were shot. (The Chinese might also have been running away from the north-bound Japanese guards who were shooting at them—if indeed these particular Chinese were killed where we saw them!) One of the Japanese officers then briefly explained what had happened on the night of September 18. In substance, it was as follows:

A Japanese lieutenant and six men, he stated, were practising defence exercises along the South Manchuria Railway when they heard the report of a loud explosion coming from a near-by point to the north. The patrol, which was headed southward toward Mukden at the time, turned back immediately. After running some five or six hundred feet, they came upon the damaged portion of the track. Almost a yard of rail had been completely blown out at a connecting joint between rail sections, and the supporting wooden ties had been well shattered. While they were appraising the damage some half-dozen or so Chinese troops ambushed in the near-by kaoliang fields opened fire. The Japanese lieutenant ordered his six men to return the fire. The attacking Chinese then started to run toward their barracks. The Japanese patrol pursued. They managed to kill four or five of the Chinese, whose corpses we presumably had seen, before discovering that they were being fired upon by a body of Chinese they estimated at over three hundred men.

The Japanese lieutenant, fearful of being surrounded by the numerically superior "enemy," ordered one of his men to telephone to Mukden headquarters for reinforcements. A telephone box happened to be close at hand, we were told. He ordered another of his men to report to the commander of a Japanese company some four-fifths of a mile to the north. This company happened to be engaged in defence manoeuvres in the vicinity of the Chinese barracks that night too.

At this time the south-bound express train from Changchun was heard approaching. It would surely be wrecked when it reached the damaged section of track, the Lieutenant thought.

One member of our party interrupted here to inquire how the express train happened to be in this vicinity when it was known to have arrived punctually in Mukden at 10:30 p.m., the hour when the ex-

plosion took place, according to General Honjo's proclamation and other earlier Japanese reports. (See Honjo's proclamation above.) This inquirer was assured that he was mistaken about the time of the explosion, as it had occurred at 10 p.m., at which hour the train was considerably to the north of the damaged section. Our escort then hesitatingly continued with his narrative.

The Lieutenant quickly ordered his men to cease engaging the enemy and to place detonators along the track. The warning came too late or was not heard, for the train proceeded on its way at full speed. When it reached the damaged section it was seen to waver unsteadily to one side and then recover its equilibrium with sufficient rapidity to avoid any derailment. The train did not stop until it arrived in Mukden station on schedule time, 10:30 p.m. (This is a portion of one of the official Japanese accounts that has never failed to astonish foreign listeners, particularly those having an elementary knowledge of physics. This same account was later recited to the Lytton Commission by the very Lieutenant who was an eye-witness to the phenomenon. It is on record in the Lytton Report but in no publicly distributed Japanese document of which I have knowledge.)

With the train safely out of the way, the Lieutenant wjas free to re-engage the Chinese. In the meantime, the Japanse company to which he had earlier dispatched a messenger was proceeding southward. Its commanding officer had likewise heard the track explosion and was on his way with his men to investigate when he met the messenger. Shortly afterwfard additional reinforcements came from Mukden, and later from other points. With only six hundred men at his command Lieutenant-Colonel Shimamoto ordered an attack on the Chinese barracks, which he estimated were housing ten thousand soldiers at the time. Under such circumstances, he later declared before the Lytton Commission, "Offense is the best defence." The Chinese offered "stiff resistance," we were told, but by six o'clock the next morning the barracks were completely taken over by the Japanese.

Our inspection party now returned to the private coach which was to take us within closer range of the former Chinese barracks.

Hardly anything remained of the barracks. What had not been destroyed by shell fire had apparently been burned later. Whenever we chanced upon a small pile of used or unused shells, one of the guides would tell how bravely the Japanese soldiers overcame the "stubborn

resistance" of the numerically overwhelming Chinese. One member of our party inquired about the casualties. We were told that "a **few** hundred" Chinese were killed but that no wounded were found at all. The Japanese had lost no men in the skirmishes around the railroad tracks, and had lost only two in taking the barracks. A number of their men had been wounded, however. (In the version given to the Lytton Commission the Japanese declared that the Chinese casualties in this "engagement" were 320 killed and "about 20" wounded; and the Japanese, 2 killed and 22 wounded.) The Japanese also claimed to have captured about 300 Chinese soldiers whom they disarmed and turned loose after making them "swear not to fight against our army."

Another member of our party asked one of the guides to explain why there were so many Chinese killed and none wounded and why the Chinese had made such a poor showing in "attacking" and "resisting" the Japanese. The officer replied that, in his opinion, the Chinese had carried their wounded with them as they fled. Concerning the failure of the Chinese to make a creditable showing, he referred us to certain mimeographed explanations. One of these rambled to the effect that the Chinese army had not been allowed time to get its equipment ready; that it "did not attempt its contemplated attack"; that "the Chinese soldiers are egoists . . . and they are lacking in courage"; that "those in command of the Chinese army are dull"; that the Chinese "artillery did not co-operate with the infantry in hostilities started by themselves"; and that "they have reaped a deserved fate as a result of their own laid-out plan in the present hostilities." Another official memorandum, prepared especially for foreign news correspondents by Lieutenant-Colonel Shimamoto, the officer who directed the attack on the Chinese barracks, was at least less muddled and concluded as follows:—

> How wonderful it is to have won the fight against nearly 10,000 Chinese who supposed to belong to the strongest of the Chinese armies and who were defended by bullet-proof walls and most up-to-date arms, while our battalion consisted only of 25 officers and 674 soldiers! It may be said to have been done by
>
> The Grace of God,
>
> The Glory of the Imperial Throne and by Divine Protection.
>
> It was also due to our men's brave and loyal deeds in face of so strong an enemy, their quick response to orders, their strong individuality, and the darkness which was the gift of nature. Self-

possessed action in the darkness, obedience and trust in their officers may be other factors which contributed to a brilliant victory. Auxiliary aids was *(sic)* also furnished by various people.

No one in our party cared to ask further questions; so after a short examination of the barracks, we returned to Mukden.

IV

Once back in Mukden, I was able to learn something of the Chinese version of the affair—but only with difficulty. Those former Chinese officials who had become identified with the Japanese-sponsored "independence" movement were not free agents; and the others either had fled from Manchuria or were in hiding. I met a few of these latter. Their accounts, pieced together with those I later received from Marshal Chang and others in Peiping, were briefly as follows:—

The Japanese military had "framed" the whole affair. The Nakamura case was being settled amicably and so it was necessary to manufacture another pretext for a "military solution." Marshal Chang claimed that he had telegraphed special instructions to his men in Mukden to be very cautious in their intercourse with the Japanese. "No matter how they may challenge us, we must be extremely patient and never resort to force, so as to avoid any conflict whatever." (As the Japanese have officially observed, there is no way of determining whether such an instruction in fact was sent, or was observed, if sent.) The Marshal further claimed that his sentries at the barracks carried only dummy rifles. The Japanese, so I was told, had been carrying out practice manoeuvres along the South Manchuria Railway near the barracks every night from September 14 to the 18. And they often fired guns during these practices. As a consequence, the explosion and subsequent shootings on September 18 caused no special alarm in town.

At ten o'clock on the night of the 18th, the Chinese Chief-of-Staff telephoned to his commanding officer (who was at home some six miles south of Peitaying) that an explosion followed by rifle fire had been heard near the barracks. Shortly afterward the report came that the Japanese had wounded some sentries and were now attacking the barracks. The Chief-of-Staff again telephoned his commander for instructions. The advice was to offer no resistance. The Chinese claimed that Japanese artillery fire was heard as early as 10:30 p.m. and that shells were falling in the barracks by midnight Most of the Chinese

soldiers were able to make their retreat without righting, but one of the encircled regiments was obliged to fight its way out. This was the only "resistance" the Chinese offered at the barracks. By the time the Japanese had cleaned out the barracks they had already succeeded in crippling the Chinese wireless and other communication facilities in Mukden (so as to prevent any but their own version of the affair from reaching the outside world first), and were engaged in seizing all of the important centres in southern Manchuria. "Manchoukuo" was then already in the embryonic stage. This briefly was the Chinese version.

In comparing notes with a large number of responsible foreigners who investigated the "incident" at first hand in official or unofficial capacities, I met no one—With the single exception of a Japanese-hired newspaper-man—who expressed the opinion that the Japanese ever established that the "incident" occurred. Nor did any of these, to my knowledge, declare that he personally believed that it had occurred, as the Japanese claimed. By the "incident" I here refer to the alleged attack on the Japanese railroad and guards in Manchuria by Chinese soldiers (acting either on Chinese instructions or on their own initiative), on the night of September 18, 1931. The reasons for these doubts and disbeliefs were legion. For the most part, however, they arose not because the Chinese evidence contained fewer flaws and contradictions and was more plausibly presented, but rather because the Japanese evidence was intrinsically weak.

First of all, many investigators questioned that any track had been damaged by anyone. The fact that an explosion had occurred was no proof that the Chinese were responsible for it or that any damage ensued. The Japanese "proof' proved nothing. The scraps of iron and torn ties could have been picked up about any railroad yard or could have been turned out on order. Further, the Japanese neither photographed the damaged track nor permitted neutrals to see it. (The Japanese military took countless photographs of far less important evidence.) Nor did they even preserve for examination the entire sections of damaged rails.

The north-pointing dead Chinese along the railroad proved nothing either. These might even have been "planted" there. The various Japanese-discovered documents purporting to show that the Chinese were planning an attack likewise proved nothing. Furthermore, the

various official Japanese versions of the affair were so contradictory that it would be impossible for a rational being to accept all of them.

For example General Honjo's first proclamation (and several of the other Japanese reports) placed the hour of the explosion at 10:30 p.m. At this time, as has been explained, the south-bound express train in question was already in Mukden station. The train, therefore, would not have had to pass over the damaged section of rail. However, in their most official version of the "incident"—assuming that the one they repeated to the Lytton Commission was such—the Japanese declared that the train did pass over the damaged section of rail.

I shall not trouble to recount the numerous other contradictions found in the official Japanese accounts. On the theory that the "most official" version of the aftair was the correct one, most of the investigators whom I interviewed still found it too incredible to believe. For example, they doubted that the heavy, American-type, Japanese express train hurdled—in apparent defiance of gravity—the 3T-inch air gap that existed in one of the tracks. Even though the train had accomplished this remarkable feat, they pointed out, it is doubtful whether the engineer would not have brought his train to a halt as soon as he was aware of the track damage. There was much else that likewise seemed incredible. If the Chinese "attacked" and "bitterly resisted" in the initial clashes, as the Japanese claimed, why did the Japanese lose only two lives, as against the hundreds lost by the Chinese? The ratio of dead to wounded Chinese, 300 to "about 20" as reported by the Japanese, also seemed incredible. Furthermore, the Japanese offensive operations followed suspiciously soon after the alleged track explosion. Shortly after an hour following this signal, a large body of Japanese troops were attacking the Chinese barracks. A further reason for discrediting the Japanese claims was that they were denying to the world that they were sponsoring the Chinese "independence movement" in Manchuria when the fact was plainly otherwise.

Practically every foreign investigator whom I interviewed, including many who were admittedly anti-Chinese or pro-Japanese—there is a difference—were of the following opinion: that there was no basis, or such a slight basis, for believing that the Japanese had suffered the specific provocation they claimed at the hands of Chinese soldiers on the night of September 18, that there was no occasion to inquire whether the Japanese had acted within the rights of "legitimate self-defence."

They clearly had not. Nothing which the Chinese may conceivably have done that night would have warranted the extreme measures the Japanese military employed. A number of investigators, however, felt that the fact of the "incident" was not important, since the Japanese had previously been provoked by the Chinese to an extent that would warrant the action taken.

I had occasion to discuss the express train episode with a South Manchuria Railway official who boarded this particular train in Mukden station on September 18. When I informed him that the Japanese military were telling foreigners that the express train had passed over the damaged section of track unharmed, he decared that either I had misunderstood or that the Japanese officers were mistaken. The train, in his opinion, had passed over the spot in question before the explosion. Otherwise persons whom he met on the train would probably have mentioned something about "the bump" and the sound of gunfire—which they did not. Furthermore, he thought that it would have been impossible for such a train to avoid derailment if it had been obliged to pass over the damaged section. When I returned to Manchuria, some time after the Lytton Report was released, I again interviewed the same official and told him that the train story he questioned had been repeated to the Lytton Commission and was on record in the Report. He merely declared smilingly to the effect, "Well, I still don't believe it." Incidentally, in discussing the Lytton Report with other railroad, and Japanese military, officials in Manchuria, not once did any of them seriously challenge the Commission's findings with respect either to the "incident" or to the creation of "Manchoukuo," the two portions of the Report which the Japanese Government has most vociferously and persistently criticized to the outside world.

V*

It is doubtful whether the League of Nations has ever appointed an investigating commission which was more competent to perform its task, or enjoyed better facilities for doing so, than was the one headed

*The author would point out that, although he was attached to the Commission and wrote a number of reports used by it, and later published by the League of Nations, he did not assist the Commission in its investigation of the "incident." He would also add that nowhere in this article does he presume to disclose any "inside" information which he may have gathered while working with the Commission.

by Lord Lytton. This commission conducted its study of the Manchurian dispute in the Far East—on the spot—between the months of February and September, 1932, and published its report in Geneva on October 1, 1932.

The Lytton Commission made a detailed investigation of the "incident." It obtained the most official accounts from both the Japanese and Chinese governments and compared these with their earlier accounts. It interviewed and held numerous conferences with practically all of the Chinese and Japanese military officials who took part in the initial clashes. It interviewed the Japanese who declared they had repaired the damaged track. The Commissioners consulted newspapermen, military attaches, and consuls who had investigated the "incident." They visited the scene of the alleged explosion and the ex-Chinese barracks, and examined what evidence the Japanese had retained. It would probably have been impossible for them to have conducted a more thorough investigation. And what were the Commission's findings?

After repeating the respective official versions of the "incident" along some-what the same lines as I have, the Commission expresses the following opinion:

Tense feeling undoubtedly existed between the Japanese and Chinese military forces. The Japanese, as was explained to the Commission in evidence, had a carefully prepared plan to meet the case of possible hostilities between themselves and the Chinese. On the night of September 18-19, this plan was put into operation with swiftness and precision. The Chinese . . . had no plan of attacking the Japanese troops, or of endangering the lives or property of Japanese nationals at this particular time or place. They made no concerted or authorized attack on the Japanese forces and were surprised by the Japanese attack and subsequent operations. An explosion undoubtedly occurred on or near the railroad between 10 and 10:30 p.m. on September 18 but the damage, if any, to the railroad did not in fact prevent the punctual arrival of the south-bound train from Changchun, and was not in itself sufficient to justify military action. The military operations of the Japanese troops during this night, which have been described above, cannot be regarded as measures of legitimate self-defence. In saying this, the Commission does not exclude the hypothesis that the officers, on the spot may have thought they were acting in self-defence,

The Commission found that an explosion occurred on the night of September 18. It did not declare that Chinese were responsible for it or that any damage resulted. The explosion occurred "on or near" the railroad and the damage, "if any," did not prevent "the punctual arrival" of the south-bound train from Changchun. So far as the Lytton Report is committal on the subject, the explosion heard between ten and ten-thirty on the night of September 18 may have been the discharge of a giant but harmless fire-cracker "on or near" the Japanese railroad and it may have been ignited by the Japanese themselves. One matter that is certain, however, is that the Lytton Commission was frankly not convinced that the "incident" of September 18 as described by the Japanese, had ever occurred. If additional proof of this is wanting, it can be found in an address which Lord Lytton delivered at Chatham House on October 19, 1932, directly after his return from the Far East to London. (This address is reproduced in the November, 1932, issue of *International Affairs,* London) He stated:—

> . . . The fourth chapter (of the Report) deals with the events of the 18th and 19th September, 1931. Again I would point out to you that throughout the Report, so far as I am aware, we have never referred to the "Incident" of the 18th of September, and we have not referred to it because in our opinion it is very doubtful whether it ever occurred. We have referred to the events of the 18th September, about which there is no doubt . . .

The Japanese Government in its official "Observations" on the Lytton Report (Foreign Office, Tokyo, November 21, 1932) has very mischievously suggested that, although the Commission admitted that the Japanese railroad track had been damaged, and presumably by the Chinese, the Commission did not feel that the damage done was sufficient to jostify the military action taken. The exact Japanese statement is:

The Commission recognize (p. 71) the fact of the explosion, but they add that the damage done was not itself sufficient to justify military action.

The Japanese Government then feigns great surprise, in its "Observations," that the Commission should have questioned Japan's right to self-defence. It quotes from the Kellogg-Briand Treaty (Pact of Paris) and certain official resolutions and exchanges of Notes relating to it, and concludes that " . . . the right to pronounce a decisive opinion on an act of self-defence, falls solely within the sovereign appreciation

of the interested State." In other words, only Japan was "legally" competent to decide whether she had acted within the rights of self-defence on the night of September 18.

This "legal" defence has been accepted by certain writers who, in my opinion, have led themselves astray by postulating that Japanese property and life in fact were attacked by the Chinese on September 18. This was never established. Certain writers have likewise assumed that since no definition of "self-defence" is universally acceptable, there is, therefore, no basis for declaring that Japan did not act within the rights of self-defence. I should take issue with these writers, on the score that while it is probably impossible to frame a definition which would automatically "decide" all cases, it is not impossible for a competent and disinterested body of men to decide that the acts of a given Government in a specific instance cannot conceivably be regarded as constituting legitimate self-defence. And this is precisely what the Lytton Commission decided with respect to Japan's actions in Manchuria on the night of September 18.

It has been urged by many persons that the September 18 "incident" is after all of no importance. These persons argue that "a conflict was inevitable" and "that if it hadn't been this, it would have been something else." Others argue that even though the Chinese offered no specific provocation on the night of September 18 they had previously offered sufficient to warrant Japan's doing what she did. Still others feel that it was Japan's "manifest destiny" to conquer Manchuria. Without attempting to answer such persons directly, I insist that the September 18 "incident" is of great consequence, and primarily because Japan chose to rest her "legal" defence for her military operations on it. It is extremely unfortunate that she wias embarrassed into doing so. Japan had many legitimate grievances against China—as China had against Japan—and conceivably these were capable of being settled by the international peace machinery which both Japan and China helped to construct and support. The Manchurian "incident" of September 18, 1931 must, therefore, go down in history as a reminder, if nothing more, that the civilized world must learn to order its affairs so that military machines may be used, if necessary, to enforce, and not to direct, national policies.

VI. CORRUPTION IN "MANCHOUKUO."*

By the Tokyo Correspondent of the "NORTH-CHINA DAILY NEWS."

TOKYO, JUNE 20.—Grave charges of Japanese maladministration in "Manchoukuo" are commencing to be heard here. In many districts the inhabitants of the new "empire" are said to be in a state bordering on terror. Thousands of hard-working farmers and small merchants are resorting to brigandage in an effort to escape from an intolerable situation.

These charges and others even more sensational are not the rantings of discontented Chinese or of anti-Japanese propagandists. If they were, they would not be set down here.

They constitute the findings of high officers in the army who arc checking up on the situation in "Manchoukuo." The last persons from whom, at one time, anyone could expect criticism of "Manchoukuo" and the first to resent any disparaging remarks, the army men today are the most outspoken and the first to find fault with conditions in the new "empire." What is more they are not sparing their brothers in arms who are supposed to be running things in "Manchoukuo."

Most of the charges are made by high officers just back from tours of inspection. The fact that their views are being given publicity indicates two things. First, the spread of liberalism and the ascendancy even in the army of the moderate, and broad-minded elements. A year ago no one of importance, least of all an army man, would say a word against anything in Manchuria, and if he did the public would not stand for it. Even to-day the civilians are unduly careful in wihat they write and say regarding "Manchoukuo."

Second, the earnest desire of the army leaders in Tokyo is to bring peace, order and prosperity to the new "empire" even at the cost of the army's prestige.

Many influential army men here are convinced that there is something radically wrong with the whole system of affairs in "Manchoukuo" as well as with those who are trying to put the system into operation.

* From the *North China Daily News,* June 25, 1934.

Unfortunately, say these men, it is **too** late to change the system. The problem now, therefore, is to wieed out the inefficient elements.

EQUALITY NOT OBSERVED.

The main criticism, it is pointed out, is that the Japanese insist on the principle of equality in enlisting Manchurians for Government posts and as officials of private concerns, but, in fact, do not accord any power or rights to them. True, the Manchurians admit that if actual control were vested in their nationals, there would be bribery and graft, but they feel that this evil could be controlled and gradually uprooted. Because of the insistence of the Japanese in putting an end to Chinese political and business methods overnight, they are inviting the much worse evil of stirring up hatred, it is charged. At present all "Manchoukuo" officials are puppets and they resent this.

This would not be *so* bad if the Japanese themselves were honest. As it is many Japanese, including active and retired army officers, who are filling responsible positions, are taking advantage of their positions to fatten their private coffers. Never having seen money before, and feeling that they are staying in "Manchoukuo" for only a few years anyway, they are accused of mulcting the inhabitants of the new "State"* and of pocketing money that comes from Japan and is meant for investment in "Manchoukuo."

Even the more honest officials, it is declared, are doing harm. It is pointed out that those who are supervising the purchase of opium are forcing farmers to become bandits. The price of opium is cheapest at harvest time and gradually rises thereafter. The Japanese will not permit the farmers to sell to anyone but the "Manchoukuo Government" and will not permit the latter to buy except at harvest time prices, which generally means at practically cost to the farmers. The result is that hundreds of farmers are being driven to starvation or into banditry. Opium is only one instance.

MOST DAMAGING ACCUSATION.

Perhaps the most damaging accusations against the Japanese has to do with the conduct of the armed immigrants Japan sent last year. Two groups of 500 men or a total of 1,000 were dispatched to colonize areas far to the north of Harbin. These were "model" men, selected by village heads, town-masters and mayors in Japan at the request of the Colonial Department. They were sent on the understanding that two years later, they would be joined by their womenfolk and children.

It was thought that model men would behave without women for two years. Model men undoubtedly would. What the officials did not know about the men they shipped to Manchuria was the sad fact that many villages and towns had utilized the offer, made to them in good faith, to rid their districts of young trouble-makers. Scores of Reds, radicals, thieves and other pernicious and depraved elements were provided with enviable recommendations and sent to "Manchoukuo."

Within a few months the Colonial Office commenced hearing complaints of the most serious nature. Alarmed, they decided to recall all undesirable settlers. Scores of young Chinese girls in the villages near by had been seduced. But the investigators discovered that hundreds of the settlers would have to be shipped back if a stop was to be put to the disgraceful condition. It is to their credit that, undaunted by this, they commenced sending the trouble-makers home. Several hundred are now back in Japan. But long before this the damage had been done.

Represented to them as model young men, the Manchurians had placed their trust in the immigrants. Having been betrayed in the most shameful manner, there is to-day a bitterness in the hearts of these simple people which nothing will enable them to forget.

BANDIT SITUATION.

The deep grudge of the Chinese in the region is reflected, perhaps, in the bandit situation. The brigands have been so rampant lately in this section that the Japanese Government has decided not to dispatch the third batch of immigrants for the time being. The settlers already there, who are armed with rifles, are asking for machine-guns.

In another district the Japanese compelled Chinese farmers, who had come from far-off Shantung in China Proper, to sell their property, the only thing they had and which meant an investment of $50 (Chinese) an acre, for $2. This not only caused bitterness among these particular peasants, but created a feeling of deep unrest and uneasiness among the whole population.

Many Japanese, especially the riff-raff and ex-criminals who to-day infest "Manchoukuo," are engaged in various rackets. The victims are invariably Manchurians. During the enthronement ceremonies in March, a party of Japanese went around distributing photographs of "Emperor Kang Teh" which cost at most a cent apiece, for $1. The inhabitants were told that unless these pictures were purchased and framed, they would be regarded as unpatriotic and treated accordingly. Already

frightened by the manner in which many of their "unpatriotic" fellow-countrymen were summarily handled, they were an easy prey to this racket. A dollar is a lot of money to a Manchurian peasant, and it will take him a long time to make up for that picture.

Incidents like this are said to be too numerous to mention. They are so common that a Japanese officer, just back from "Manchoukuo," remarked that although very little is heard about them, Japanese bandits as well as Chinese infest "Manchoukuo."

ARMY GRAVELY CONCERNED.

The army is gravely concerned over this situation, and is earnestly acting to correct mistakes in the system of administration wherever possible and to replace incompetent and dishonest men. It has, figuratively speaking, lopped the heads off a good many unscrupulous officials. Unless those who remain make a right-about turn in their conduct, they will follow and it makes not the slightest difference whether these men are retired army officers or not. Such, at least, is the threat of the men who to-day are at the helm of military affairs in Tokyo.

As a matter of fact it is pointed out that it is likely that more former army men will be sacrificed than civilians, for it is plain that men who served in the army all their lives know practically nothing about anything outside military matters and consequently are hardly likely to be efficient in other fields of endeavour.

VII. HOW JAPAN REGARDS OTHER NATIONS.

A number of passages from Chinese text-books have been translated and cited by the Japanese in an effort to show that elementary education in China is anti-foreign in nature. The Japanese themselves have issued two pamphlets on the subject. The one printed by the *Herald Press* of Tokyo, is under the title of *Anti-Foreign Education in China.* The other, which is more elaborate, is entitled *Anti-Foreign Teachings in 'New Text-boo\s of China,* and was published by the *So\o\usha Press* of Tokyo.

JAPANESE MISREPRESENTATION OF CHINESE TEXT-BOOKS.

In answering the points raised in these publications, notably in the latter one, it should be emphasized that the educational institutions established by the Chinese Government can only use those text-books which are approved by the Ministry of Education. The fact however is that a large number of the quotations cited in the Japanese pamphlet are taken from publications which do not appear on the list of the approved text-books, such as *The National Humiliation Reader,* cited on pages, 5, 10, 15, 21, 23, 25, 26, 30, 32, 33, 41, 58, 67, 71, 82, 91, 98, and 109 in the second of the Japanese publications referred to. In fact, out of the 67 different cases which are cited, only 27 were taken from text-books approved by the Chinese Ministry of Education, the remaining 40 being taken either from text-books which were not approved or from books published by unknown individuals. Many of the alleged citations further do not exist, such as the "History of Two Fishermen of the Liaotung Peninsula," reproduced on pages 38-39 as an example of anti-foreign teaching, which was supposed to have been taken from the *Higher Grade National Language New Doctrine Text-book,* 3, XXII. But more frequently, the translations submitted by the Japanese are not accurate, the Chinese text being deliberately distorted in translation. On page 2, for instance, there is a passage, "In 1884 France plundered Annam . . . . ", when the Chinese text should be translated "In 1884 France took Annam . . . . " Then, on page 36, "Having seen our country placed under such oppression Chinese citizens must take steps to *rebel* against Japan . . . "

when the correct translation should be "China being so oppressed by Japan, her citizens should find some means of resistance." On page 37, ". . . and other anti-Japanese incidents," does not exist in the Chinese text! On page 54, there is the quotation "first, the alliance of leading nations for a *world-revolution"* for which the correct translation should be "first, the alliance of leading nations of the world which are *pioneers of revolution.''*

Many of the texts cited by the Japanese publications are not in fact anti-foreign in nature. For instance, the descriptions (pages 15-21 in the second publication referred to) relative to the Opium War and the signing of the Treaty of Nanking are in their proper prospective only meant to show the defects of the former Imperial Government, the frequent disharmony among the high officials, the lack of patriotic sentiment in many of them, and their cowardice before the British forces. And the description of the landing of the Germans at Kiaochow (pages 28-30) is only a bitter criticism of the self-sufficiency, ignorance and the lack of courage of the Chinese generals of the Imperial days.

Is there, further, anything wrong with the citing of the Burmese complaining that his country was invaded and conquered by British forces because "the Chinese Government did not send a single soldier for its rescue," (page 25), with the loss of Annam being attributed to the incompetence of Chinese diplomacy (page 45), with the explanation of how the French entered Annam at the request of a pretender to the throne of that country (page 32)? And what about the description, on pages 96-101, of a wealthy Chinese in America who deprecates his own national origin because the Americans have shown him friendliness and who subsequently receives the same spiteful treatment as served to his compatriots by these same Americans which is only meant to show that the blame for this should be equally distributed? In the alleged dialogue between the two fishermen of the Liaotung Peninsula (pages 38-39), the older one is made to complain that since its occupation by the Russians (1898) and by the Japanese (1905), life has become more difficult. Now is there any little fishing village in Western Europe where one does not hear similar regrets of the passing of the "good old days"?

Pages 43-55 are devoted to a description of the "Imperialism" of the great colonial Powers. The policy called "Imperialism" is perhaps denounced in terms a little too harsh, but surely the language is not so excessive as that used by the socialist press in various parts of the world.

We can understand how some foreigners might feel hurt by the manner in which the conduct of their mother country is judged by others. But what about it? It is one thing to be a great Colonial Power, it is another thing to be the objective of that Colonial Power.

As examples of these "imperialist excesses," the Shanghai incident of May 30th, 1925, is cited on pages 8 and 53, and the Japanese occupation of Tsinan in 1928 is referred to on page 41. But how many foreigners of the highest standing and reputation are there not, who cannot but agree that the police of the International Settlement on May 30th, 1925, acted in excess of their powers, and did not the Diplomatic Commission of Enquiry into the affair at that time (including the British Charge d' Affaires) recommend that Chairman Stirling Fessenden be censured, Police Commissioner Colonel McEuen be dismissed and Inspector Everson tried and punished according to the law? And as regards the Tsinan incidents, there is no need to waste any more words in comment, the provocative actions of Japan and the ill-considered measures adopted by her troops being established beyond refutation.

With reference to the War of 1842 and the Treaty of Nanking mentioned in several of the Chinese text-books, one can only state that the Chinese are not the only people who regard these as unjust and immoral, but that there are also many high-minded Englishmen who do not consider the "Opium War" as particularly just, nor approve of the action of the British Government of that period in resorting to force for the purpose of imposing upon another people the traffic in a drug which itself is illegal in Great Britain. Eliminating the passages just mentioned, little thus remains of the alleged anti-foreign teachings complained about in the Japanese statements. And with regard to the little that remains, theJFollowing observations should be taken into due consideration.

In the first place, there is no doubt that China occupies, even at the present moment, a unique and abnormal position in the family of nations. It is the only country where the privileges of extraterritoriality, of consular jurisdiction, and of exemptions from various fiscal obligations, are still enjoyed by the nationals of some of the great Powers. It is the only country where foreigners possess municipal concessions in which they exercise quasi-sovereign rights of administration. It is also the only country where many Powers have leased territories bearing close resemblance to colonies. These concessions and leased territories are portions of sovereign Chinese soil which have been taken

away from China by armed force or by overwhelming diplomatic pressure. But the great majority of the inhabitants of these regions are Chinese, and it is largely due to the labour, industry, and the wealth of the Chinese that the concessions and leased territories owe their present prosperity.

This state of affairs cannot but create between the Chinese and the foreign residents unequal relations which seriously prejudice the dignity of China's national existence. Such conditions only exist in China and have no analogy elsewhere. This being the case, it is not surprising that some Chinese have developed a special attitude towards the non-equal treatment of their nation by other nations, an attitude which may be regrettable but which is only natural with a country that has not yet lost all self-respect.

Further, it has been thought necessary to awaken the masses, to make them understand the dangers of their past apathetic attitude, to develop a patriotic spirit in them, and to indicate to them what the national aims should be and how to attain them by peaceful and legitimate means. For that reason, China has had recourse to a methodology which has been universally employed abroad, that is to say, the exaltation of the patriotic sentiment. The history of Europe tells us that, whatever the ethics, the best way to heighten this sentiment is by laying stress on the national characteristics of a people. Can it then be surprising that China should have followed Europe's example and attempted to transform "the heap of sand"—to which Dr. Sun Yat-Sen has compared the inarticulate mass of the Chinese nation—into a solid body, by instilling into it the militant spirit of nationalism, sometimes excessively militant perhaps, but certainly a necessary process for the purpose of giving birth to a new and vigorous nationhood, especially when one remembers that the history of China offers, unfortunately, only too many cases of privileges forcibly wrested from her as a consequence of the deplorable lack of any national spirit among the leading officials of the old Imperial regime?

And did not Japan, China's most violent critic, use identical methods during the period when she suffered from similar abuses as China is suffering now? Was she herself free, during the ferst twenty years of the Meiji era, from a certain amount of what she now calls anti-foreignism? Did she not resent as keenly as China does do the impairments of her national sovereignty? And even today, liberated as she has been from

the hindrances of the former unequal treaties, does Japan show, in her teaching of history and in her press, that equanimity which she likes to make the world believe to be lacking only in China?

Even the most cursory survey of the text-books used today in the governmental educational institutions of Japan would reveal a great number of passages in which episodes in the history of Japan's foreign relations and the policies of certain Powers are related in a way not exactly complimentary to the nations concerned—passages full of anti-Chinese teachings, accompanied by an astonishingly bad taste, frequently bordering on pure effrontery and brazen mendacity, as the following quotations show.

How CHINA IS BEING PRESENTED.

The Scope of Japan's Self-Defence.

The Republic of China is a virulent foe of Japan, especially the government established by Chang Hsueh-Liang and his army. . . . .

Those foreigners who say that "Japan has no right of self-defence in Manchuria" have an axe to grind. They want to support Chang Hsueh-Liang attempt to reinstate him to his former regime thereby enabling them to fish in the troubled waters. Japan knows too well the danger of such a trick on the part of the foreigners. So Chang's influences in Manchuria must be extirpated, root and branch, and a new Manchuria government must be set up as soon as possible by the Japanese military force. Afterwards an alliance between Japan and the Manchurian government can be formed. Japan is to supply the necessary equipments.

[Dr. Ninagawa in "Japanese Education and Manchuria"—A collection of lectures and essays by Japan's leading educational authorities.]

The Manchurian Problem and Japan.

Most of the Manchus have adopted the Chinese customs and language, the Manchurian language being permitted gradually to fall into oblivion. Nevertheless, from the ethnological point of view the kinship between the Japanese and the Manchus is much closer than that between the Chinese and the Manchus. The Chinese are Hanjen, but the Manchus are of the Nuchen tribe. History forbids China to have a valid claim to Manchuria. . . . Yet Japan does not harbour any territorial ambitions in Manchuria. When all this is said, the fact remains that the relation between Japan and Manchuria is not an ordinary one.

Moreover, Manchuria is not so vital a concern to China as to Japan. The Manchus welcome the Japanese more than they welcome the Chinese. And so are the Mongolians. The Mongolians hate Chinese interference and all seek Japanese protection. From the above, Japan must know her tremendous responsibility in Manchuria. Though at present the Japanese actions have met with a shower of criticisms, the much-to-be-desired privileges will eventually be ours. Despite her intrigues, cunningness, and the skillful game of diplomacy played by her, China cannot win the sympathy and confidence of the world. Japan should have pity on her and guide her. If China does not take Japan's advice, it only remains for Japan to chastize her.

[From "Japanese Education and Manchuria."]

The Characteristics of the Chinese,

The Chinese people are all extreme misers. Nay, they are worse than that. . . . The Chinese from the lower class are a bad lot; they eke out a living on rations worse than that of the dog and the horse. But when allured by the glittering gold, they forget all the insults and are bent absorbingly on amassing money.

Although the Chinese do not have the slightest idea of what patriotism is, they are very capable of organizing political parties and cliques. During the impasse between Japan and China the Chinese people organised a nation-wide boycott movement against the Japanese goods and cited this movement as a fair indication of the Chinese patriotism. This is the height of absurdity. The boycott movement was wholly stimulated by the telegram despatched by the Chinese Chamber of Commerce, saying that the Japanese demands were designed to enslave the Chinese, to confiscate their private properties and to impose restrictions on their personal freedom. Had the Chinese Chamber of Commerce sent out a telegram saying that the Japanese demands were intended to protect the freedom of the Chinese and to offer them opportunities to make money, the boycott movement, even under the instigation of the Chinese Government would have been nipped in the bud. On the contrary, the Chinese would send a petition to the Chinese Government requesting their Government to comply with the Japanese demands. . . .

China is a semi-civilized country. The standard of living in China is very low. . . . Entering any Chinese street, one cannot help being struck by the barbarous conditions.

[From "Popular Lectures on China" Chapter One]

The Chinese National Traits.

The main traits of the Chinese, such as cunningness, hypocrisy, cruelty, and barbarity, are the crystallization of a history of 4,000 years.

There is no necessity any more to treat the Chinese people as human beings. Is it not foolish that most of the Japanese people, not knowing the exact situation of China and the wicked nature of the Chinese people, deal with China as a civilized nation?

[From "The Annexation of Manchuria and Mongolia by Japan']*

The Twenty-One Demands.

Everyone of the Twenty-one Demands . . . has legal status, but the ignorant Chinese students and the professional propagandists have designated May 9, the date for the signing of the Twenty-one Demands, as the National Humiliation Day. Every year on this day a great agitation is staged. This is certainly utterly absurd.

[From "History of Japan," Chapter 18. A text-book approved by the Japanese Board of Education]

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How THE WESTERN NATIONS ARE REGARDED.

The Intrigues of the Western Nations.

. . . As we study the motives behind the intrigues of the Western nations, we envisage the hands of imperialism. . . . One of their goals in comon is to oppress the Japanese people. Under the disguise of maintaining peace, the League is, in effect, carrying out the sinister intrigues of the Western nations. . . .

We have no friends in the family of nations. But let us be not pessimistic. The fact that we stand in islolation, but with dignity, is the more glorious to our Empire. Thanks to the efforts of our civil and military authorities we have at last exposed the cat's paws of the Western imperialism. To all intents and purposes, the white nations and their policy of colonization are designed to oppress the other races. For the benefit of a few, large number of peoples have been sacrificed. India is an example; Egypt is another.

For many years, more than three hundred million Indian people have been under the yoke of the despotic rule of Great Britain. The policy of the white nations in their dealings with the peoples of other nations is one of despotism and extreme abuses. The end of the Russo-Japanese War witnessed the awakening of national consciousness of the Indian people. In 1914 when the World War broke out, Indian troops in the Western

front in France, having expressed their indignation at the British disregard of the pledges made by the British officials, declared sdf-government and independence. They repudiated the validity of the co-operative acts. Three hundred million Indian people voiced their determination to abide by their resolution until they have achieved their aims. This national consciousness on the part of the Indian people is a precursor of the world movement of liberation and emancipation of the oppressed peoples.

[From "Japan's New Policy in Manchuria and Mongolia"]

Anti-Japanese Problems.

At the Peace Conference in Paris, the Japanese delegates introduced a bill upholding racial equality among nations, but it was unfortunately killed in the meeting. Since that time, anti-Japanese agitation has swept the United States, Canada, and Australia. Particularly in the United States anti-Japanese feeling had grown to such an extent that the climax was reached in 1923 when the Congress passed the new Immigration Law (Exclusion Act), effective in July the same year. Though Japan protested against the enactment on the ground of humanity and justice, but she failed to get fair and just consideration from the American Government because our nation was not in a position to cope with the United States.

The new legislation was adopted in the year immediately following the great earthquake at Tokyo which wrought havoc with our national strength. We mention this lest we should forget it!

[From "Western History for Middle Schools" Chapter 73. A text-book approved by the Japanese Board of Education]

The Tyranny of British Rule in India.

When the British were seeking to conquer India, they committed a series of atrocious crimes. After his return from India, Lord Hastings was impeached by the Parliament for despotic rule during his tenure of office in India. The proceedings lasted for seven years. Though he was finally exonerated from the charges, the accusations regarding his misrule in India could not be dispelled. Who could seem to be a more vicious character than Lord Hastings?

[From "Oriental History of Japan" Chapter 38. A Text-book approved by the Japanese Board of Education]

The Beginning of the Western Invasion Eastward.

After his return to Italy from China during the reign of Kublai Khan, Marco Polo spread the tidings of the discovery of Jipanku (Japan),

a land fabulously rich in natural resources. The Europeans were, therefore, fired with ambition to sail to the Far East and to carry on trade with the Japanese people. . . . Since the discovery of this new world and its ocean route, there began a change of the world's situation, heralding the dawn of the age of invasion into the East by the European powers.

After the discovery of the sea route to Japan, Portuguese merchantmen reached Tanesima in 1548. These were followed by the trading vessels from Spain. At that time, the Europeans were called the *Southern Barbarians* by the Japanese people.

[From "Japanese History for Girls," Volume IL A Text-book approved by the Japanese Board of Education]

The Territorial Expansion of the Western Nations.

Four hundred years have elapsed since the discovery of the new route and the new world. . . . the western peoples emulated with one another trying to grab new land and oppress the coloured peoples, claiming that they were the superior race. They were very powerful as well as perverse and abusive.

[From "Western History for Girls." A Text-book approved by the Japanese Board of Education]

The Revision of Unequal Treaties.

The unequal treaties with the foreign nations were contracted under duress by the Tokugawa Bakafu officials. Many of the articles were derogatory to our national honour and sovereignty. For example, foreign residents in Japan were subject to the trial by their own consuls instead by the courts of Japan. Moreover, we could not regulate the duties on goods imported into this country. Our people felt extremely mortifying and hoped that the unilateral treaties be quickly abrogated. Since the reign of Emperor Meiji, our Government had lodged repeated protests with the foreign nations, but with little success.

[From "National History for Primary Schools" Volume II Lesson 51-5. A Text-book compiled by the Japanese Board of Education]

The Invasion of Foreign Ships and Our Coastal Defence.

After the decline of Portuguese and Spanish influences in the Pacific, Great Britain entered into this area as a dominating power. She embarked upon an aggressive policy towards India with increased vigour. Her ambition was to crush the commercial interests of the Dutch colony and establish a British monopoly in the Pacific. We became threatened with the British invasion from the south.

In **the** past, Russia had entertained sinister designs in the Pacific. She added Siberia and Kamchatka to her territorial possessions, and subsequently, she invaded the Islands of Chishima, thereby threatening **the** integrity of our sovereignty from the northern border. . . . In 1792, **the** Russian ambassador arrived at Nemuro to press for a treaty of commecial intercourse. He was repulsed by the Tokugawa Bakufu. . . . The war vessels of Russia were often engaged in wanton attacks upon our sea coast of Karafuto and Chishima Islands. Meanwhile British boats entered Nagasaki by force. They made frequent reappearance, at short intervals, upon our sea shore, committing all forms of depredations. Embittered by these outrages, our people raised an outcry throughout the Empire to repel the barbarian ships at once. In 1825, the Expulsion Decree was promulgated to seize and destroy all foreign ships lying off Japanese coasts.

[From "National History for Higher Primary Schools," Volume II, Lesson 42. A Text-book compiled by the Japanese Board of Education.]

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