

**NATIONAL
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NATIONAL ARCHIVES MICROFILM PUBLICATIONS

Microfilm Publication M976

RECORDS OF THE DEPARTMENT OF STATE
RELATING TO POLITICAL RELATIONS
BETWEEN CHINA AND JAPAN, 1930-1944

Roll 8

1930-39

793.94/3251-3410
Nov. 1931-Jan. 1932.



**THE NATIONAL ARCHIVES
NATIONAL ARCHIVES AND RECORDS SERVICE
GENERAL SERVICES ADMINISTRATION**

WASHINGTON: 1975

NATIONAL ARCHIVES MICROFILM PUBLICATIONS

INTRODUCTION

On the 96 rolls of this microfilm publication are reproduced the records from the decimal file of the Department of State, 1930-44, that relate to political relations between China and Japan. The records are mostly instructions to and despatches from diplomatic and consular officials; the despatches are often accompanied by enclosures. Also included in these records are notes between the Department of State and foreign diplomatic representatives in the United States, memorandums prepared by officials of the Department, and correspondence with officials of other Government departments and with private firms and persons. The State Department divided the decimal file into chronological segments to retire inactive records. This division has been maintained in this microfilm publication. The records for the period 1930-39 are filmed on rolls 1-88 and those for 1940-44 on rolls 89-96.

The Lists of Documents or "purport lists" filmed on rolls 345 and 346 (1930-39), roll 532 (1940-June 1944), and roll 628 (July-Dec. 1944) of M973 give brief abstracts of the documents reproduced in this microfilm publication and serve as a finding aid to the documents themselves. The arrangement of the entries on these lists generally corresponds to the arrangement of the documents in the file.

From 1910 to 1963 the State Department used a decimal system for its central files, assembling and arranging individual documents according to subject and assigning decimal file numbers. The decimal file consists of nine primary classes numbered 0 through 8, each covering a broad subject area. The records reproduced in this microfilm publication are in Class 7, political relations of states. Each country had been assigned a two-digit number. The country numbers assigned to China and to Japan, for example, are 93 and 94, respectively. Thus, documents bearing the file number 793.94 concern political relations between China and Japan.

When one or more digits follow the second country number, they represent a specific subject. This number, in turn, may be followed by a slant mark (/). In such cases the numbers after the slant mark were assigned to individual documents as they were accumulated on a specific subject. For example, a decimal file number taken from a document reproduced in this microfilm publication is 793.943/5. The number 3 following the country number for Japan (94) signifies that the subject is extraterritoriality, and the number after the slant mark indicates the number of documents on this subject.

NATIONAL ARCHIVES MICROFILM PUBLICATIONS

The documents under one subject classification are generally in chronological order, coinciding with the assigned document number, which follows the slant mark. There are instances, however, when a document file number was not assigned until a date considerably later than the one on which the document was received.

In July 1944 the number after the slant mark began to reflect the date of the document instead of the number of documents; for example, a document dated November 20, 1944, would be numbered /11-2044. Documents dated as early as 1939 but not indexed until after July 1, 1944, also have been assigned date numbers.

Cross-reference sheets referring to related records under other subject classifications in the decimal file have been reproduced as they occur, and appropriate cross-reference notations appear in the Lists of Documents.

The file contains documents that were security classified by the State Department, as well as those received from and classified by foreign governments and other Federal agencies. Documents that have not been declassified are not available as part of this microfilm publication. The National Archives and Records Service (NARS) does not have authority to make reproductions of such documents available to searchers. Documents that remain classified have been removed from the file and replaced by a withdrawal notice that identifies the document and indicates the reason for its removal.

The records reproduced in this microfilm publication are part of General Records of the Department of State, Record Group 59, and are a continuation of the records concerning political relations between China and other states, 1910-29, which have been microfilmed as NARS M341.

In the same record group are several diplomatic correspondence series containing documents on relations between China and the United States. They are copies of instructions from the State Department to U.S. Ministers to China, 1843-1906 (rolls 38-43 of M77); notes to the Chinese Legation in the United States from the Department, 1868-1906 (rolls 13 and 14 of M99); despatches from U.S. Ministers to China to the Department, 1843-1906 (M92); and notes from the Chinese Legation in the United States to the Department, 1868-1906 (M98). Also related to matters concerning China are communications to special agents of the United States from the Department, 1852-86 (roll 154 of M77).

Several series of volumes contain material on relations between Japan and the United States. There are copies of instructions from the State Department to U.S. Ministers to

NATIONAL ARCHIVES MICROFILM PUBLICATIONS

Japan, 1855-1906 (rolls 104-108 of M77); despatches from U.S. Ministers to Japan to the Department, 1855-1906 (M133); notes to the Japanese Legation in the United States from the Department, 1860-1906 (rolls 66 and 67 of M99); and notes from the Japanese Legation in the United States to the Department, 1858-1906 (M163). Also related to matters concerning Japan are communications to special agents of the United States from the Department, 1823-86 (rolls 152 and 154 of M77); and despatches from special agents to the Department, 1794-1837 (roll 10 of M37).

Despatches from U.S. consular officials in China and Japan before 1906 are available as separate microfilm publications for each post. Complementary to the despatches from consuls are instructions to consuls.

The method of arranging the diplomatic and consular series cited above was discontinued in 1906, when the State Department adopted the practice of filing incoming and outgoing correspondence, memorandums, and other documents by subject in a single numerical series. Information on documents relating to China and Japan for the 1906-10 period may be found through the use of card indexes and Lists of Documents in the National Archives of the United States. The Numerical File is available as microfilm publication M862.

Several series in the State Department decimal file, 1910-29, that relate to Chinese and Japanese affairs are available as microfilm publications. In Class 7 there are two series regarding Chinese affairs: one concerning political relations between the United States and China (M339) and the other concerning political relations between China and other states (including Japan) (M341); and two series regarding Japanese affairs: one concerning political relations between the United States and Japan (M423) and the other concerning political relations between Japan and other states (M424). Class 8, internal affairs of states, has records concerning internal affairs of China (M329) and internal affairs of Japan (M422). Additional documents are in the remaining classes of the State Department decimal file:

- Class 0. General. Miscellaneous.
- Class 1. Administration, Government of the United States.
- Class 2. Extradition.
- Class 3. Protection of Interests.
- Class 4. Claims.
- Class 5. International Congresses and Conferences. Multi-lateral Treaties. League of Nations.
- Class 6. Commerce. Customs Administration. Commercial Relations, Treaties and Conventions. Commercial and Trade Agreements.

NATIONAL ARCHIVES MICROFILM PUBLICATIONS

In Records of Boundary and Claims Commissions and Arbitrations, Record Group 76, there are records relating to the Claims Commissions of 1858 and 1901 between the United States and China.

In Records of International Conferences, Commissions, and Expositions, Record Group 43, are records of several conferences in which the United States and Japan participated. There are records of the Washington Conference on Limitation of Armament, 1921-22, which met to consider the limitation of armaments and certain questions relating to Pacific and Far Eastern problems. There are also records of the Commission To Represent the United States at the Grand Exhibition of Japan, 1917. The exhibition was planned for 1912 but had been postponed, and the records relate mainly to the visit of U.S. Commissioners to Japan in 1908 and to their conferences with Japanese officials. Other relevant records in Record Group 43 are those concerning the Sino-Japanese Dispute, 1930-32 (documents gathered by Gen. Frank McCoy, U.S. representative on the Lytton Commission), those of the U.S. Element, Allied Council for Japan, 1946-52, and those of the Far Eastern Commission, 1945-51.

In Records of the Foreign Service Posts of the Department of State, Record Group 84, are records originally kept at U.S. diplomatic and consular posts. Among these are records of the U.S. Legation (later Embassy) in China, 1843-1945, and of the U.S. Legation (later Embassy) in Japan, 1855-1936, as well as those of various consular posts in those countries.

The records reproduced in this microfilm publication were prepared for filming by Ralph E. Huss, who also wrote these introductory remarks.

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

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PLAIN

TELEGRAM RECEIVED

PEIPING VIA NR

Dated Dec. 20, 1931

FROM

Rec'd. 7.50 am

SECRETARY OF STATE

WASHINGTON

COPIES SENT TO
O.N.I. AND M.I.D.

Division of
FAR EASTERN AFFAIRS
DEC 21 1931
Department of State

1109, December 20, 5 pm

Following from Reuter, Mukden, December 19th:

"Colonel Badham Thornhill, British Military attache with the American Military Attaches called on General Honje today. When questioned on Chinese military movements in the Chinchow area (#) branded as absurd the reports that the Chinese were massing troops in that area. He definitely states that the Chinese had not concentrated additional troops nor made any discernible change in disposition of their forces during the past month."

For the Minister

PERKINS

(#) Apparent omission

GW

F/DEW 793.94/3251

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100-441171-100



TRANSFERRED TO 793.94 COMMISSION/10

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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

December 23, 1951.

~~M.H.H.~~
~~S.H.H.~~
~~R.S.M.~~

The Consul General at Shanghai transmits herewith a copy of a Chinese editorial which criticises the United States for not taking a more positive action in regard to the situation in Manchuria. The editorial is based on certain statements alleged to have been made by Mr. Castle, and the editorial is headed "A Few Questions to the Assistant Secretary of State, U.S.A."


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DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

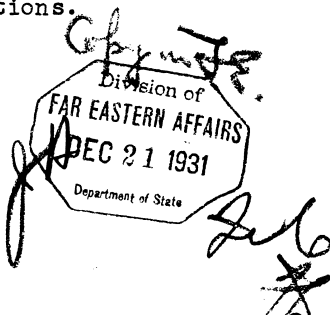
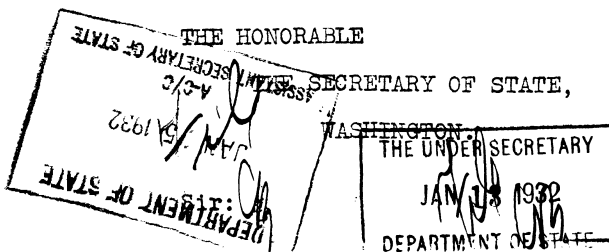
No. 2997

AM RECD



AMERICAN CONSULAR SERVICE.
American Consulate General,
Shanghai, China, December 1, 1931.
DEC 19 31

Subject: Sino-American Relations.



1/ I have the honor to transmit herewith a translation of a somewhat interesting editorial which appeared in the SHUN PAO (Chinese) of November 1, 1931, under the heading "A Few Questions to the Assistant Secretary of State, U.S.A."

Respectfully yours,

Edwin S. Cunningham
Edwin S. Cunningham,
American Consul General.

Enclosure:

1/- Translation of editorial
from the SHUN PAO of
November 1, 1931.

ESC MB
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In Quintuplicate.

In Duplicate to Legation.

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793.94/3253

JAN 20 1932

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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

Enclosure No. 1 to despatch No. 7947 of Edwin S. Cunningham,
American Consul General at Shanghai, China, dated December 1,
1931, on the subject: "Sino-American Relations."

A FEW QUESTIONS TO THE ASSISTANT SECRETARY OF
STATE, U. S. A.

Judging from the history of Sino-American relations, one feels positive that, in connection with the present outrage of Japan in Manchuria, the United States will not fail to let the world hear a voice for justice from her. Judging from the keen interest taken by American industrialists and economists in the enterprises of the Far East and from the recent visits of one commission after another to the Orient, one feels certain that, because of the conflict of interests, the United States will say something at least in regard to the present Japanese activities in Manchuria. In the early sessions of the Council of the League of Nations, the American government wrote to the League urging the delegates of all members to do their best to find a solution for the Sino-Japanese crisis and intimating that she would be prepared to send a representative if the assistance of the United States is required. It appeared at that time that the United States was not altogether indifferent to the Sino-Japanese impasse or unwilling to take a part in the effort to work out a solution. Since the League invited the United States to participate in its conferences, however, the United States has said absolutely nothing other than that she would agree to the application of the anti-war treaty to the present instance. Again and again the United States has declared that she will observe strict neutrality and refrain from interference. She has been endeavoring to keep out of the way as speedily as possible and her attitude is again obscure at the present time. There is no wonder that the League was taken aback by such attitude and thought that the United States was in sympathy with Japan. The statement which was made today by Mr. Castle, the Assistant Secretary of State, U. S. A. does not serve yet to dispel the suspicion. Mr. Castle said that, under the treaties guaranteeing China's integrity, the United States felt constrained to oppose permanent occupation of Manchuria by Japan. We wonder how long Japan has to remain in Manchuria before Mr. Castle would call it a permanent occupation. Not satisfied with the occupation of Liaoning and Kirin, Japan has exploited the imperial faction and bandits, rendered aid to the disgruntled elements of the Chinese military and expanded her activities toward North Mongolia. The extent to which she has impaired China's territorial integrity is by no means small and the time for which she has occupied Chinese territory cannot be described as a short period inasmuch as nearly two months have elapsed since the occupation of Liaoning and Kirin took place on September 18th. Does Mr. Castle mean that this is not a permanent but temporary occupation? Is it necessary for the occupation to last for a number of years before he would call it a permanent one? This is one of the questions which we feel constrained to ask Mr. Castle.

Mr.

-2-

Mr. Castle has also declared that the United States has not endorsed the demand of the League of Nations for withdrawal of Japanese troops before November 16th because the League has never requested the United States to express her views and that, being not a member of the League, the United States should not make any public comment before she is invited to express herself on the subject. As early as when the League of Nations invited the United States to participate in the disposal of the Manchurian question, the United States announced that she was not a member of the League and that she would attend as a mere hearer without speaking on things that do not fall within the purview of the anti-war treaty. According to Mr. Castle, it seems now that the United States would not speak because she is not invited to do so by the League. Would the United States really comply with its request if she is hereafter asked by the League to break the silence? Would she agree to speak if China invites her to make a comment on the basis of the Nine-power Treaty? This is another question that we must put to Mr. Castle.

For sometime the world has been doubtful in regard to the obscure attitude of the United States and for a long while we have been expecting to see what position she would take in respect to the question at issue. The preservation of China's territorial integrity is a stipulation of the Nine-power Pact and Mr. Castle has now unequivocally admitted that the occupation of Manchuria by Japan is an attempt to disintegrate China which the United States must oppose under the treaties. Since it is not as yet the intention of Japan to evacuate Manchuria, no one would interpret the Japanese activity as a temporary measure. According to Mr. Castle's declaration, it is imperative, therefore, that the United States manifest her attitude at the earliest possible date. The League of Nations has not formally invited the United States to speak but, as a matter of fact, it has been long expecting of the United States a comment based on the principle of justice and the Chinese people are all anticipating to hear something from the United States in her capacity as the leader of the signatories to the Nine-power pact. She is unanimously invited in spirit though in form to speak at this juncture and Mr. Castle's pronouncement has made it still more necessary for the United States to put her attitude beyond suspicion and doubt. Now is the time for her to do so; if she misses the opportunity again, then her traditional prestige as a champion of justice in the world would be completely lost.

Translated from SHUN PAO of November 1, 1931.

Trans. Tg
Seen by RLS

Copied by MB *MB*
Compared with NLH *NH*

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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

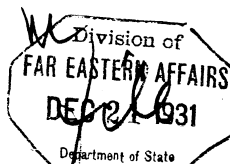


EMBASSY OF THE
UNITED STATES OF AMERICA
Tokyo, December 5, 1931

No. 411



DEC 11 1931



F/DEM 793.94/3254

993.94

The Honorable

The Secretary of State,
Washington.

Sir:

I have the honor to transmit herewith translations
1/. of four orders recently issued to the press by Japanese
police.

Respectfully yours,

For the Ambassador

Edwin L. Neville
Counselor of Embassy.

Enclosure:
List of police
orders as stated.

Embassy's File No. 800.-Manchuria.

SWW/SR.

DEC 22 1931

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Department of State letter, August 10, 1972
By Milton O. Lustig NARS, Date 12-18-75

To Newspaper Offices and News Agencies.

November 13, 1931.

Please note that newspapers shall be confiscated if they will publish the following items:

All sorts of information reporting that the South Manchuria Railway, in cooperation with the newly established government in Manchuria, is now making preparations to extend its line or to lay new lines because such information is very likely to be utilized for propaganda internationally.

November 13, 1931.

Be careful not to publish the following news in newspapers:

Any news reporting that either the Japanese Government or the Japanese military authorities were either directly or indirectly concerned as to the desertion from Tientsin of the former Emperor of China because such news shall be subjected to the same treatment as was the case with the publication of news on September 26 and 27 which was suppressed.

The Marunouchi Police Station.

November 13, 1931.

Be careful not to publish the following news in newspapers:

Any news reporting that either the Japanese Government or the Japanese military authorities were either directly or indirectly concerned as to the desertion from Tientsin of the former Emperor of China because such news shall be subjected to

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DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

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the same treatment as was the case with the publication of news on September 26 and 27 which was suppressed.

November 15, 1931.

Please note that newspapers may be confiscated when they publish the following items:

Any news regarding the movements of troops belonging to the 19th and the 20th Army Divisions in regard to Sino-Japanese situation, except those items published by the Japanese military authorities.

The Section of Inspection,
The Metropolitan Police Office, Tokyo.

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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

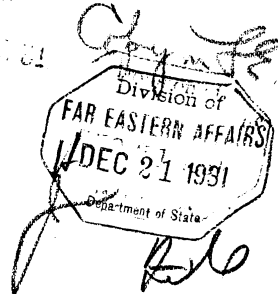


LEGATION OF THE
UNITED STATES OF AMERICA

Peiping, November 23, 1931.

No. 1282

793.94



The Honorable

The Secretary of State,
Washington.

Sir:

1/ I have the honor to transmit herewith a copy of Foreign Office Note L-375 of November 11, 1931, a summary of which was forwarded to the Department in Consul General Peck's telegram No. 108 of November 14, 12 noon, concerning plans for the re-occupation of territory in Manchuria when evacuated by Japanese troops.

2 - 4/ The English enclosure to the note under transmission was prepared by the Ministry of Foreign Affairs and consists of the "Plans for the taking over of Occupied Places in Manchuria", the "Regula-

tions

F/DEM 793.94/3255

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JAN 14 1932

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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

- 2 -

tions Governing the Organization of the Commission for the Re-Occupation of Evacuated Territory in the Northeast" and a list of the Chinese members of the Commission.

In this connection the Department is also respectfully referred to the Legation's telegrams No. 859, of November 2, 4 p.m., and No. 874, of November 5, 4 p.m.

Respectfully yours,

For the Minister:


Van H. Engert,
First Secretary of Legation.

✓
Enclosures:

- 1/ Foreign Office Note L-375
- 2/ Copy of "Plans for the taking over of Occupied Places in Manchuria"
- 3/ Copy of "Regulations Governing the Organization of the Commission for the Re-Occupation of Evacuated Territory in the Northeast."
- 4/ List of Members of the Commission.

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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

Enclosure No. 1
Despatch No. 1282

L-375

Translation of a note addressed by the Ministry
of Foreign Affairs of the Republic of China to
the American Legation, Peiping.

(Trans. WRP-EFS)

(Dated: November 11, 1931.)

(Recd.: November 20, 1931.)

Sirs:

We have the honor to state that in connection with the resolution adopted by the Council of the League of Nations for taking over various places in the Northeast occupied by Japanese troops, the Chinese Government has now formulated "Plans for Taking Over Occupied Places in Manchuria" and has promulgated the "Regulations Governing the Organization of the Commission for the Re-Occupation of Evacuated Territory in the Northeast". There are enclosed herewith, for the information of the Legation, one copy each, with English translation, of the "Plans for Taking Over Occupied Places in Manchuria" and the "Regulations Governing the Organization of the Commission for the Re-Occupation of Evacuated Territory in the Northeast", as well as a copy of the list of names, in Chinese and English, of the members of the Commission.

With compliments,

-SEAL OF THE MINISTRY OF FOREIGN AFFAIRS OF THE
REPUBLIC OF CHINA-

Enclosures.

EFS:T

COPY

Signature No. 2
Date No. 1782

PLANS FOR TAKING OVER OCCUPIED PLACES
IN MANCHURIA.

In pursuance of the Resolution of October 24th of the Council of the League of Nations, the Chinese Government has taken the necessary steps for taking over the different places in Manchuria now under the occupation of Japanese troops as well as making such arrangements as will ensure the safety of the lives and property of Japanese subjects in the evacuated territory.

On November 1st the Chinese Government announced the appointment of a Commission for the Re-occupation of Evacuated Territory in the Northeast, which is composed of seven members namely: Dr. V. K. Wellington Koo (Chairman), General Chang Tso-hsiang, Mr. Chang Chun, Mr. Wu Te-chen, Dr. Lo Wen-kan, Mr. Tang Erh-ho, and Mr. Liu Chi. This Commission will be entrusted with the work of arranging with the representatives to be designated by the Japanese Government the necessary details regarding evacuation and re-occupation as well as with the actual taking over and rehabilitation of the evacuated places.

In executing their task the members of the Commission will request the representatives appointed by the different Powers to associate with them as closely as possible. It is expected that these representatives will observe the workings of the Commission relating to re-occupation, accompany its members to those places for actual re-occupation and remain in such places until they are sure that peace and order is effectively maintained. All the necessary facilities will be accord-

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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

- 2 -

ed to the foreign representatives and all information regarding the evacuation and the taking over of the occupied territory will be given to them without delay.

The best disciplined soldiers, gendarmes and police will, upon selection by the Commission, be despatched by the Government to places to be actually taken over. For the effective maintenance of peace and order after the evacuation and re-occupation of each place, the Government will authorize the Re-occupation Commission to proclaim martial law, when it is deemed necessary, and enforce it for a short period of time, during which any disturbance of the peace or any act of violence against the life and property of the residents will be severely dealt with according to the martial law.

Special precautions will be taken for ensuring the safety of all Japanese nationals. In view, however, of the many dangerous acts incompatible with the maintenance of peace recently committed by Japanese subjects in various parts of China, especially in Manchuria, the Japanese Government is expected to warn the Japanese subjects in the evacuated territory against taking any undesirable course of action so as to ensure the successful execution of the measures of protection by the Chinese Government.

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REGULATIONS GOVERNING THE ORGANISATION OF THE COMMISSION
FOR THE RE-OCCUPATION OF EVACUATED TERRITORY IN
THE NORTHEAST
(Translation)

Article I.

The Commission for the Re-occupation of Evacuated Territory in the Northeast shall, under instructions of the National Government, arrange the details for re-occupation of the different places in the Northeast now occupied by the Japanese troops and proceed with the taking over and rehabilitation of those places.

Article II.

The Commission shall be composed of seven members appointed by the National Government, with one member designated as Chairman.

It shall be the duty of the Chairman to direct the work of the Commission.

Article III.

The Commission shall consist of the following Sections:

1. The Political Section,
2. The External Affairs Section,
3. The Safety Section, and
4. The Communications Section.

Article IV.

The Political Section shall be in charge of the taking over of the civil, financial and industrial affairs in the evacuated places.

- 2 -

Article V.

The External Affairs Section shall be in charge of consultation with the representatives appointed by the Governments of the different countries, the arrangement of the details for the taking over of the evacuated places, and other matters related thereto.

Article VI.

The Safety Section shall be in charge of the assignment and supervision of soldiers, gendarmes and police, and the maintenance of peace in the evacuated places.

Article VII.

The Communications Section shall be in charge of railways, public roads, electrical communications and all other facilities for communication.

Article VIII.

Each Section shall have a Director appointed by the National Government.

Any member of the Commission may ex officio be the Director of a Section.

Article IX.

The Commission shall have a Chief Secretary appointed by the National Government, who shall, under the direction of the Chairman, take charge of the administrative affairs of the Commission and any other matters assigned him by the Chairman.

Article X.

The Commission may have Counsellors to be appointed

by the

- 3 -

by the National Government, who shall assist in the prosecution of the work of the Commission.

Article XI.

The number of the members of the Commission staff, their appointment and dismissal and their functions shall be provided separately.

Article XII.

The Commission, when it deems necessary, may engage Chinese and foreigners to be technical experts who will assist and make plans in connection with various matters.

Article XIII.

In connection with the execution by the Commission of the recommendations contained in the Resolutions of the League of Nations, the Chairman shall invite the representatives appointed by the Governments of the different countries to observe such execution.

All facilities shall be accorded to the representatives appointed by the Governments of the different countries.

The Commission shall record the proceedings of reoccupation and communicate for reference records of such proceedings to the representatives appointed by the Governments of the different countries.

Article XIV.

The Commission shall, immediately after the taking over of the evacuated places, request the National Government to designate responsible officials for the restoration of all administrative offices and local order.

Article XV

The Commission, when it is deemed necessary, may,

in

1007
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

- 4 -

in accordance with law, proclaim martial law in the evacuated places.

Article XVI.

The amendment of these Regulations may be made by an order of the National Government.

Article XVII.

These Regulations shall be promulgated and put into force by the National Government.

(Promulgated by the National Government November 7, 1931.)

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

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12/85
Enclosure No. 2
Despatch No. 1

DR. V. K. WELLINGTON KOO, former Minister to the United States and Great Britain; former Minister for Foreign Affairs and Prime Minister.

GENERAL CHANG TSO-HSIANG, Chairman of the Kirin Provincial Government and Acting Commander-in-Chief of the Northeastern Frontier Defence.

MR. CHANG CHUN, Mayor of the City Government of Greater Shanghai.

MR. WU TE-CHEN, former Mayor of Canton; Member of the Legislative Yuan.

DR. LO WEN-KAN, former Minister of Justice and Minister for Foreign Affairs.

MR. TANG ERH-HO, former President of Medical College, and former Minister for Education.

MR. LIU CHIH, former Minister of Education; member of the Board of Directors of the Chinese Eastern Railway.

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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

December 22, 1931.

~~M.M.H.~~
~~S.L.H.~~
~~R.S.M.~~
~~G.H.B.~~

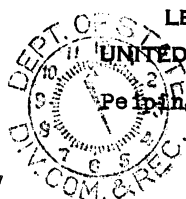
The attached despatch dated November 17, 1931, from the American Legation at Peiping, transmits a copy of a note from the Chinese Government which Dr. Alfred Sze was instructed on October 31, 1931, to present to the Secretary General of the League of Nations. I do not believe that you will be particularly interested in the note, but you will probably be interested in the last sentence of the Legation's despatch, page two.

For official text see page 350 (bottom) and 352 (top) of the large volume entitled "Crimes on the Foundation of Manchuria" ~~SPJ:EMU~~

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75



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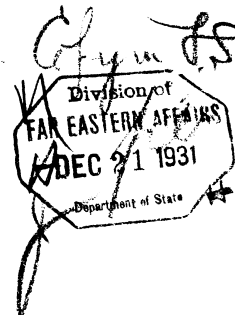


LEGATION OF THE
UNITED STATES OF AMERICA

Peking, November 17, 1931.

No. 1267

DEC 19 31



793.94

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793.94/3256

The Honorable

The Secretary of State,
Washington.

Sir:

1/ Although it may have reached the Department through other sources, I have the honor to transmit herewith, as a matter of record, a copy of a note from the Chinese Government, which Dr. Alfred Sze was instructed, on October 31, 1931, to present to the Secretary General of the League of Nations. The note, which is a reply to the note which was presented to the League of Nations by the Japanese Government on October 26th, deals with the failure of Japan to withdraw her troops from Man-

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churia

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

-2-

churia and advances reasons to show that withdrawal may be safely carried out. The Department's attention is particularly invited to observation "(1)" made by the Chinese Government in the note, which quotes statements made by Secretary Hughes at the Washington Conference in 1922 to the effect that "continued occupation of strategic centers tends rather to increase than to allay the unrest and disorder in that region."

Respectfully yours,

For the Minister:


C. Van H. Engert
First Secretary of Legation.

✓
Enclosure:

- 1/ Copy of note from Chinese Government to Secretary General of the League of Nations, as described herein.

800

RLB:epg.

(Sent to the Counselor of the American Legation at Nanking by Dr. M.T.Z. Tyau, Chief of the Bureau of Intelligence and Publicity, Ministry of Foreign Affairs, November 1, 1931)

1
1267

THE CHINESE GOVERNMENT ON OCTOBER 31st INSTRUCTED DR. ALFRED SZE, CHINESE DELEGATE AT GENEVA, TO PRESENT THE FOLLOWING NOTE TO THE SECRETARY GENERAL OF THE LEAGUE OF NATIONS FOR CIRCULATION TO THE MEMBERS OF THE COUNCIL.

"The Chinese Government received on October 28th from the Secretary General of the League of Nations a copy of the note of the Japanese Government of October 26th to which the Government of China begs to make the following reply:

"The note of the Government of Japan to the members of the Council repeats the statement that the sole reason why it refuses to withdraw troops from Chinese soil is the danger that in its view would ensue to Japanese subjects and their property in evacuated areas. As to this the following observations may be made:

"(1) The Chinese delegate's declaration to the Council on October 23rd expressed the view of the Chinese Government that it was the very presence of Japanese troops in Chinese territory which created the danger of which Japanese authorities now complain. This declaration was reinforced by Monsieur Briand, President of the Council, when, at a meeting of the Council on October 24th, he said 'I think public opinion would find it difficult to admit that military occupation could be assigned to the category of pacific means. I think that military occupation falls outside of that class of measures and therefore prolongation of that occupation also involves prolongation of that feeling of uneasiness which has already lasted too long'.

"During the Washington Conference no less an authority than the then American Secretary of State, Mr. Hughes,

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 Department of State letter, August 10, 1972
 By Milton O. Gustafson NARS, Date 12-18-75

- 2 -

supported the view that military occupation fosters disorder which is used as a pretext for continuance of that occupation. Commenting upon the Japanese statement to the Washington Conference that the Japanese Government could not withdraw its troops from Eastern Siberia without endangering the lives and property of its subjects, Mr. Hughes said, 'The Government of the United States would be untrue to the spirit of cooperation which led it in the summer of 1918 upon an understanding with the Government of Japan to dispatch troops to Siberia if it neglected to point out that in its view continued occupation of strategic centres in Eastern Siberia the establishment of civil administration which inevitably lends itself to misconception and antagonism, tends rather to increase than to allay the unrest and disorder in that region'. In the same formal statement in reply to the argument of the Japanese Government with reference to the situation in Eastern Siberia, Mr. Hughes said, 'The United States has regretted that Japan should deem necessary the occupation of Russian territory as a means of assuring a suitable adjustment with a future Russian Government'.

"(2) The Resolution presented by the members of the Council other than the parties on October 22nd and accepted by the Government of China takes note of the latter's undertaking to safeguard the lives and property of Japanese subjects in reoccupied areas and invites it to attach neutral representatives to Chinese authorities charged with the task. The Chinese representative further assured the Council that the Chinese Government 'is willing to examine in the most conciliatory spirit here and now any proposals for extending the system of neutral officers or with the help of the League of devising any other arrangements on the spot to guarantee the safety of Japanese lives and property in reoccupied

territory

- 3 -

territory in order to dispel any apprehension the Japanese Government may entertain as to the danger to its subjects that might result from compliance with the Council's Resolution'.

"If indeed it be true that as stated in Japan's note of October 26th there are only 'certain small contingents of Japanese soldiers still remaining at a few points outside the railway zone', the Chinese Government is confident that with the help of the League of Nations, means can be speedily found as suggested by the representative of China whereby these contingents of Japanese troops can be rapidly and with safety withdrawn.

"(3) The Chinese Government notes with satisfaction the emphatic denial of the Japanese Government that it has any intention to bring armed pressure to bear in its negotiations with China. But the Chinese Government feels constrained to point out that if this be the view of the Japanese Government, the only way to give effect to it is to cease to demand as a condition precedent to the evacuation of its troops that China should come to an agreement with Japan on the basic principles which are to govern the whole of future relations of the two countries.

"The Council's Resolution and the undertakings of the Chinese Government before the Council give amplest guarantees for safety of lives and property of Japanese nationals in the areas to be evacuated by Japanese troops. The giving effect to these guarantees and undertakings involves nothing more than local arrangements on the spot which can proceed pari passu with withdrawal of Japanese troops and will require as Monsieur Briand pointed out in the Council at the most only a few days. This is a matter entirely distinct from and unconnected with diplomatic negotiations between

- 4 -

the Governments of China and Japan.

"(4) The Chinese Government shares with the Japanese Government's desire to put an end once and for all to the state of tension between two countries and ardently desires to place their relations upon a new and better foundation - one that will ensure permanent peace and friendship. It is Chinese Government's view that the first step to consummate this end is compliance with the Council's Resolution. So long as Japanese troops are in illegal occupation of Chinese soil contrary to the Council's request and in violation of Article 10 of the Covenant of the League of Nations, of Article 2 of the Paris Pact and of Article 1 of the Nine Power Treaty of Washington, neither good relations nor negotiations between the two countries are possible. The moment this situation is ended, the two countries as loyal members of the League can begin to strive by common agreement to end its evil effects.

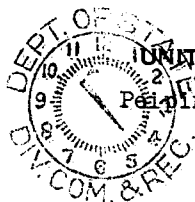
"It is the Chinese Government's view that the only way to profit by the lesson taught by the events of the past few weeks, to reap benefits of the League's intervention and to prevent recurrence of controversies which may endanger peace in the Far East is the establishment, as has been proposed by the Chinese Government, of a Permanent Board of Conciliation and Arbitration for the peaceful and just settlement of such differences as may arise between the two countries.

"The Chinese Government repeats that the issue which requires to be first met is, as provided in the Council's Resolution, the withdrawal of Japanese troops which is to begin immediately and to be completed before November 16th."

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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75



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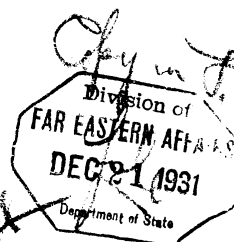


LEGATION OF THE
UNITED STATES OF AMERICA

Peking, November 20th, 1931.

No. 1274

DEC 19 31



The Honorable

The Secretary of State,
Washington.

Sir:

I have the honor to transmit herewith a translation of a photostatic copy of a Proclamation of the Japanese Army at Kirin, dated October 24, 1931, which appeared in the TIENTSIN YI SHIH PAO of November 4, 1931.

The Proclamation is a denunciation of Marshal Chang Hsueh-liang and of his supporters in Manchuria, against whom the Japanese Army "has launched a punitive campaign for the people in order to do away with this evil". The Proclamation warns the people of Manchuria against being identified with any of the supporters of Chang Hsueh-liang and threatens with severe punishment those who fail to obey.

Respectfully yours,

For the Minister:

C. Van H. Enger
C. Van H. Enger
First Secretary of Legation.

Enclosure:

1/ As noted above

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DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Huntzger NARS, Date 12-18-75

Enclosure No. 12-74

Translation of a photostatic copy of a proclamation
appearing in the TIENHSIN YI SHIH PAO of November 4,
1931.

(Trans. EFS)

ATTENTION! LAND DEFENSE OFFICIALS.

PROCLAMATION OF THE JAPANESE ARMY.

Since Chang Hsueh-liang, Chang Tso-hsiang, Wan Fu-lin, and the communists have acted perversely and violently in Manchuria during their occupation, have incessantly exacted money from the people, and have failed to keep good faith with friendly nations, this Army has launched a punitive campaign for the people in order to do away with this evil.

The new Kirin Government has now been established, and everything will be modernized. This is fully concurred in by this Army. You, all of the rest of Chang's clique, must severally purify your hearts and repent of your errors. You should submit to the new government and respect justice and keep the laws designed to protect the locality. This Army will forgive the past and will by no means investigate too closely. For instance, Chang Tso-chou, younger brother of Chang Tso-hsiang, who is arbitrarily occupying the city of Yüshuhsien, remains obstinate and has detained the tax revenues of the Hsien Bureau. Recently Chang Tso-hsiang again ordered Li Chên-shêng, Chung Yü, Ch'êng Yün, Wang Chih-yu, Wang Pao-shan, Hsü Chin-hsien, Li Shu-tzû, Hsü Chên, Kao Ch'itung, Yü Shih, Li K'o-yüan, Sung Ju-hsien, Wang Shu-shêng, and Liang T'ing-shu to restore his personal government

in

-2-

in Harbin, with a view to offering resistance. This obviously destroys law and order. They do not hesitate to sacrifice the lives and property of the people of the whole Province to bring about serious complications. Lest the locality be devastated, it is the duty of this Army to maintain peace and it therefore especially issues this serious warning. You, the ruffians, should promptly rectify your errors and reform yourselves. Do not walk and run hither and thither for Chang again. All people should also identify the above-listed followers of the Chang clique and promptly expel them from this territory, in order that the former may not be involved. Should you remain obstinate after this warning, this Army will certainly take drastic measures and inflict severe punishment showing no lenience. Everybody should tremblingly obey.

Amano,
Brigadier-General, Commander of
the 15th Brigade of the Japanese Army.

October 24th, the 6th year of Hirohito.

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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

December 22, 1931.

~~M.M.H.~~
~~S.M.H.~~
~~R.S.M.~~
~~G.H.B.~~

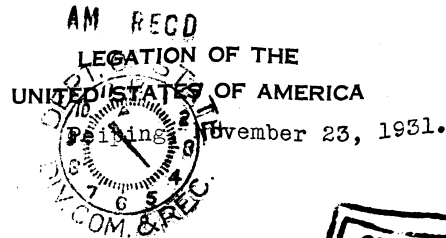
With the attached despatch dated November 23, 1931, the Legation at Peiping transmits a statement in English issued by the Japanese Legation on "Conditions of Anti-Japanese Agitation in Peiping At the End of October, 1931." The Legation comments that it "is interesting as evidence of the thoroughness with which the boycott of Japanese goods has been organized.


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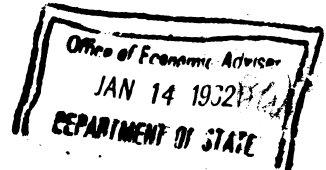
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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75



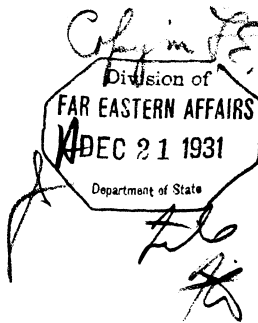
No. 1279



DEC 1931



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The Honorable
The Secretary of State,
Washington.

Sir:

1/

I have the honor to transmit herewith a statement in English issued by the Japanese Legation on "Conditions of Anti-Japanese Agitation in Peiping At the End of October, 1931." This statement merely contains the programs and aims of the various anti-Japanese organizations functioning in Peiping, without expressing any opinion as to their legality or effectiveness, but is interesting as evidence of the thoroughness with which the boycott of

Japanese

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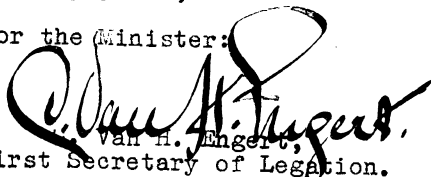
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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

- 2 -

Japanese goods has been organized.

Respectfully yours,

For the Minister:


Van H. Engert,
First Secretary of Legation.

✓
Enclosure, statement
as described.

RLB/GL

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DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

Enclosure No. 1
Despatch No. 1279

Conditions of Anti-Japanese Agitation in Peking
At the End of October, 1931.

No incident worth to be particularly mentioned has yet transpired in connection with anti-Japanese agitation in Peking, but since Japanese goods in various stores were sealed by the Anti-Japanese Society organized by the various circles in the city on October 26th, transactions on Japanese goods have entirely been suspended. It is said that the value of sealed Japanese goods will aggregate over eight million dollars, according to investigations made by the Peking Chinese Merchants Society. Moreover, Chinese employed by Japanese are being intimidated to sever relations with their employers, showing that agitation against the Japanese is gradually getting intensified.

The Society Saving the State by Antagonizing Japan, organized by the Various Circles in Peking, the Union of Students' Associations of the Various Schools in Peking to Save the Country by Opposing Japan, the Union of Students's Associations of Middle and Primary Schools in Peking to Save the Country by Antagonizing Japan, the Society Saving the State by Opposing Japan, organized by Northeastern Students, and the Union of Anti-Japanese Societies, organized by Scientific Bodies in Peking and Tientsin ...

- 2 -

Tientsin are the principal organizations in Peking agitating against Japan. In addition, each of schools, labour societies and associations has its own representative organization "to save the country by opposing Japan", and agitation is kept up against our country by them. The activities of these organizations, however, have come by degrees to be brought under the general control of "the Society Saving the State by Antagonizing Japan, organized by the Various Circles in Peking", the actual work of agitation being carried out by students' anti-Japanese societies.

The recent state of activities shown by "the Society Saving the State by Antagonizing Japan, organized by the Various Circles in Peking", is appended below:-

1. On October 21st, the undermentioned items were decided upon.

(a) The Regulations for organizing Inspection Corps of "the Society Saving the State by Antagonizing Japan, organized by the Various Circles in the City of Peking" (The Annex No. 2)

(b) The Regulations Punishing Dishonest Persons (The Annex No. 3)

(c) The appointment of the Higher Police School the general commandership of the Inspection Corps, and the China Educational Institute and Northeastern

People's ...

- 3 -

People's Anti-Japanese Society the vice-commander-ship.

(d) The staff of the Inspection Office for Severing Economic Relations with Japan:-

One person shall be sent to each inspection office, respectively by the Party Offices of Peking City and Hopei Province, the Peking-Suiyuan Railway, Northeastern People's Anti-Japanese Society, Agricultural Society and Labour Society, beside from 2 to 5 students detailed to each office by every university, middle school and primary school in Peking.

(e) Opposition to direct negotiations with Japan before the withdrawal of the Japanese Army. A request to the Central Government for wiring the above to Sze Chao-chi, beside the entire country being notified telegraphically thereof.

(f) A request to the Central Government to oppose the five items submitted to the League of Nations for the solution of the Sino-Japanese dispute, the entire country being telegraphically notified about it.

(g) Telegraphically requesting Sze Chao-chi to raise a question at the League of Nations about Japan's responsibility for the despatch of troops.

(h) To notify the various schools to detail students to the Inspection Corps on October 25th for supervising ...

- 4 -

ing the work of sealing Japanese goods in the various stores.

(i) To notify the entire citizens that those, who sell Japanese goods after October 25th, shall be arrested, indicated and put to trial.

(j) To notify Chinese merchants in the city to seal Japanese goods in their possession by the 25th.

2. On the 22nd, the following Notice was sent to all the Chinese stores in Peking:-

The 25th, the date on which Japanese goods are to be sealed, is approaching. For the sake of saving the State from the national crisis, the Society shall carry out the examination of Japanese goods strictly, in order to accomplish the object of severing economic relations with Japan. Therefore it is desired that Japanese goods are wholly sealed by the date designated. In case of dishonest persons selling enemy goods secretly after the 25th, the matter should be confidentially reported to the Society.

3. The items decided upon by the Economic Severance Committee of the Anti-Japanese Society on the 23rd:-

(a) When the police obstructs the examination of Japanese goods, a representative shall be sent to the Public Safety Office for protection, and when a trouble breaks out between the police and the

Inspection ...

- 5 -

Inspection Corps, the matter should be reported to "the Society Saving the State by Antagonizing Japan", and the Society will undertake to discuss the matter with the police authorities.

(b) To notify the labour societies of the various railways to stop the transportation of Japanese goods.

4. The items decided upon on October 24th, by "the Society Saving the State by Antagonizing Japan":-

(a) The Party Offices of Peping and Hopei, Ping-Sui Railway, Agricultural and Industrial Associations, and Yenching University shall be requested to detail representative members to organize "The Committee Dealing with Affairs After Japanese Goods Have Been Sealed", in order to discuss ways and means of dealing with the sealed Japanese goods.

(b) To apply to the Peping Custody Office of the Industrial Department for the loan of empty buildings for the exhibition of enemy goods.

(c) The Higher Police School having resigned, the Normal College shall be appointed its successor to the general commandship of the Inspection Corps.

5. The Society Saving the State &c.&c. summoned the the Inspection Corps on the 24th, and decided (a) the district to be inspected by each Inspection Corps, and

(b) ...

- 6 -

(b) the punishment of merchants refusing the examination of goods and sealing Japanese merchandise, in accordance with the Regulations Punishing Dishonest Persons, at the same time approving the Regulation for Examination, which is contained in the Annex 4.

6. On the 25th, the Inspection Corps set out and directed the work of sealing Japanese goods at the various Chinese stores.

7. The items decided upon by the Anti-Japanese Society on the 27th are appended below:-

(a) The office examining enemy goods shall be opened on the 29th, the Provincial and City Party Offices raising the required expenses thereof.

(b) The application made by the delegation of the Journalists' Association asking for studying expedient measures, as the shortage of printing paper has resulted in consequence of the sealing of Japanese-made printing paper, is referred to "the Committee Dealing with Affairs after Japanese goods have been sealed".

(c) The stores which do not seal Japanese goods under the supervision of the Inspection Corps, shall report to the Society and seal the goods within two days: otherwise the goods in question shall be confiscated, and the parties concerned shall be

punished ...

- 7 -

punished in accordance with the Regulations Punishing Dishonest Persons. (A notice to that effect was issued on the 26th).

(d) The establishment of an inspection office at Fengtai.

(e) The Economic Severance Committee shall draw up rules and regulations for the purpose of exterminating the importation of Japanese goods, in co-operation with the Society Saving the State & . & . organized by the various circles in Tientsin, the Society in Tientsin being approached on the subject.

8. The items decided upon by the Economic Severance Committee of the Society on the 27th:-

(a) To establish a place keeping Japanese goods in custody, and detail one member each of the Merchants and Agricultural Societies to look after its management.

(b) The Regulations Rewarding People secretly reporting on dishonest merchants (The Annex No. 5)

The Annex 1 shows the Regulations for "the Society Saving the State by Antagonizing Japan, &c. &c.," which was passed at the mass meeting of the various societies saving the state by antagonizing Japan, organized by the various circles in Peking, held on September 23rd.

Annex No. 1.

Brief Rules Governing The Society Saving The State
By Antagonizing Japan, Formed By Various Circles
In Peking.

1. This Society is named "The Society Saving the State by Antagonizing Japan, organized by the various circles in Peking.
2. This Society is organized permanently for the purpose of wiping away national dishonour by antagonizing Japan for the salvation of the country.
3. This Society is organized by Higher Party Offices of the various grades, various schools and various juridical organizations in Peking.
4. This Society is the supreme guiding organ for saving the country by antagonizing Japan. Each school and each juridical body can individually organize its own society antagonizing Japan to save the country in accordance with its own status, but it must receive directions from the Society.
5. The Society shall have a standing committee, made up of 12 or 19 members recommended by the members of the Society, to look after the daily routine of the Society.

6.

- 2 -

6. Under the Standing Committee, sub-committees for General Affairs, Direction and Propaganda, and a committee Planning Economic Severance shall be established in the Society, to engage in the work assigned to each of them.

7. Each Sub-Committee shall have one chief and two assistant chiefs, who are to be elected out of the members of the Standing Committee by mutual vote, to look after the work of the sub-committee concerned.

8. The Sub-Committee on General Affairs shall look after all the matters not belonging to other sub-committees.

The Sub-Committee on Direction shall look after the work of directing all matters in the Society.

The Sub-Committee on Propaganda undertakes all propaganda work of the Society.

Each Sub-Committee can, according to the press of business, divide the work for the facilitation of management.

9. The Committee Planning Economic Severance shall have a standing committee of three, who shall be elected out of the members of the Standing Committee of the Society by mutual vote. They are to look after the work of drawing up all plans for severing economic relations with Japan and carrying out the plans.

10. In accordance with the press of business, the Committee Planning Economic Severance can establish

various ...

- 3 -

various sections, so that the work can be executed by means of division of labour.

11. The meeting of the Society shall be called to order from time to time by the Standing Committee.

Ordinary meetings of the Standing Committee shall be held on Tuesday, Thursday and Saturday, every week. In case of necessity, a special meeting can be called by the Sub-Committee of General Affairs.

12. The expenses of the Society shall be borne by the various high grade party offices, schools and juridical organizations in Peking.

13. The Society shall hold its meetings at the Chu Jen Tang Hall at Nanhai for the time being.

14. Detailed regulations of the Society shall be established separately, the present being the outline to show the constitution of the Society.

15. In case of defects being found in the Brief Rules of the Society, the Standing Committee can remedy them from time to time.

16. The Brief Rules of the Society shall be effective from the date of their passing.

Annex No. 2.

The Regulations for Organizing Inspection Corps of the Society Saving the State by Antagonizing Japan, organized by the Various Circles in the City of Peking.

Art. 1. The Corps shall be organized in accordance with the decision of the Executive Committee of the Society for the extermination of Japanese goods.

Art. 2. One general commander and two assistant commanders shall be appointed to the Corps, recommended by the Executive Committee of the Society. These officers shall, under the order of the Economic Severance Committee of the Society, carry out the transfer of the members of the Corps, distribution of work among them, and inspection of goods, whilst representing the Corps on all matters relating to outside sources.

Art. 3. The members of the Corps are divided into two kinds, stationary and patrolling.

(1) The members of the Stationary Corps are stationed at various inspection offices, to examine incoming and outgoing Japanese goods.

(2) The members of the Patrolling Corps are to examine business transactions on Japanese goods at various stores, from time to time.

Art. 4. Nineteen (?) inspection offices are established by the Corps.

(1)



- 2 -

(1) The East Railway Station. (2) The West Railway Station. (3) The Bureau of the Postal Administration. (4) The Chaoyangmen Gate. (5) The Tungchihmen Gate. (6) The Yungtienmen Gate. (7) The Hsichihmen Gate. (8) The Fuchengmen Gate. (9) The Tehshengmen Gate. (10) The Antingmen Gate. (11) The Kwanganmen Gate. (12) The Kwangchumen Gate. (13) The Tsoanmen Gate. (14) The Yuanmen Gate. (15) The Tungpienmen Gate. (16) The Hsipienmen Gate. (17) Tungcheng-kuotzu. (18) Waicheng-kuotzu.

Art. 5. Each inspection office shall have a chief, and four to eight men under him. The chief shall be engaged by the Committee Severing Economic Relations.

Art. 6. The chief of a Stationary Corps is transferred from time to time, by the Commander, on consultation with the Inspection Section.

Art. 7. The city is divided into the following four patrol districts:-

1. The East City. 2. The West City. 3. The east of Chienmen Tachieh. 4. The west of Chienmen Tachieh.

Art. 8. At each patrol district one district commander and one vice-commander shall be stationed, to exercise control over the Inspection Corps belonging to the District concerned. Each Inspection Corps shall be made up of a commander, a vice-commander and ten men under them.

Art. 9. ...

- 3 -

Art. 9. In case of necessity, appropriate allowances and the price of food can be paid to the members of the Stationary Corps in the Inspection Office.

Art. 10. Diligence ~~or idleness~~ of the members of the Corps shall be examined by the Commander and Vice-Commander, from time to time, and the result shall be reported to the Inspection Section for reward or punishment. Rules for reward and punishment shall be drawn up separately by the Committee Severing Economic Relations.

Art. 11. The Corps shall establish a badge for the Inspection Corps. On the badge the wearer's photograph in the size of a visiting card shall be pasted. This badge must be worn by the members of the Inspection Corps, when they are out on their duty of examination of goods.

Art. 12. The Corps shall establish a certificate showing the completion of inspection, which shall be posted on the gate of the store which has been examined. Afterwards, the store can be inspected from time to time.

Art. 13. When a flaw is found in the present Regulation, the Commander can report it to the Executive Committee of the Society Antagonizing Japan to save the State, organized by the various circles in the City, and get it amended.

Art. 14. This Regulation shall be carried into effect on the approval of the Executive Committee of the Society Antagonizing Japan to save the State, organized by the various circles in the City.

Annex No. 3.

The Regulation Punishing Dishonest Merchants.

Art. 1. The Society especially establishes the Regulation Punishing Dishonest Merchants for the purpose of carrying out the severance of economic relations with Japan and putting an end to the transactions of enemy goods by dishonest merchants.

Art. 2. Punishment to be inflicted upon a guilty person consists of the following four kinds:-

(1) By dishonouring. To let all know the name of the dishonest person, his place of domicile, his picture and offence, by publishing them in newspapers at the place where he resides.

(2) By imposing a fine. A. The first class fine amounting to \$5,000 or more. B. The second class fine amounting to \$1,000 or more up to \$5,000. C. The third class fine amounting to \$500 or more up to \$1,000. D. The fourth class fine not exceeding \$500.

(3) Special punishment. A. To keep the dishonest person concerned locked up in a wooden cage. B. To parade him round the street to show him to the public.

Art. 3. A person who is found guilty of one of the below-mentioned offences shall be punished in accordance with the Regulation.

(1) ...

- 2 -

(1) The 4th class fine shall be imposed on one, who does not seal enemy goods within a stipulated period after a notice has been given thereof. The articles concerned shall be confiscated in addition.

(2) The 4th class fine shall be imposed on one, who is found to have not perfectly sealed enemy goods, the articles concerned being confiscated at the same time.

(3) The 2nd or 3rd class fine shall be imposed on one who refuses to receive examination of goods under one excuse or the other. Enemy goods, when found on examination, shall be confiscated in addition.

(4) The 1st or 2nd class fine shall be imposed on one who secretly imports or sells enemy goods, which shall be confiscated. In addition the Special Punishment or Dishonour Punishment shall be imposed on him.

(5) The 1st class fine and Special Punishment shall be imposed on one who changed the trade mark of enemy goods or the make-up of the goods, so as to render them look like home-made merchandise. The articles in question shall be confiscated in addition.

(6) The 2nd or 3rd class fine, and the Dishonour Punishment shall be imposed on the transporter by water or on land, who undertakes to forward enemy goods. The entire cargo concerned shall be confiscated.

(7) ...

- 3 -

(7) The 2nd or 3rd class fine shall be imposed on one who conceals enemy goods, which shall be confiscated in addition.

(8) The 3rd class fine and Dishonour Punishment shall be imposed on one, who makes propaganda advertisement of enemy goods. (Detailed rules thereof shall be drawn up separately.)

(9) The special punishment shall be imposed on one who does not obey the order to disunite himself, within a certain specified period, from a Japanese merchant or merchants, with whom he is running business jointly.

(10) The 2nd class fine and Dishonour Punishment shall be meted out to a dishonest merchant who handled a draft to and from Japan for the transaction of Japanese goods.

(11) The Dishonour Punishment, together with the 4th class fine, shall be imposed on one who wholesaled Japanese goods to a Chinese merchant or merchants.

(12) After locking up Japanese goods, if one keeps on buying them, the goods concerned shall be confiscated, and in addition, the Dishonour or Special Punishment shall be imposed on him, in accordance with the relative seriousness of the case.

Art. 4. ...

- 4 -

Art. 4. A double fine shall be imposed on an offender on repetition of the offence, beside imposing one or two other kinds of punishment in addition.

Art. 5. When the person on whom a fine was imposed, is unable to pay it, or does not pay the entire amount of the fine, the Dishonour or Special Punishment can be imposed on him in substitution.

Art. 6. When a person offers resistance against punishment, under the protection of special influence in combination with a foreigner or foreigners, his movable and immovable properties shall be confiscated by the decision of the Society, or he shall be sentenced to the Special Punishment.

Art. 7. When a flaw is found in the present Regulation, it can be amended through the resolution of the Executive Committee of the Society to save the State by Antagonizing Japan, organized by the Various Circles in the City of Peking.

Art. 8. This Regulation shall be promulgated and carried into effect on the date when it is passed by the Executive Committee of the Society to save the State by Antagonizing Japan, organized by the Various Circles in the City of Peking.

Annex No. 4.

The Regulations For Examination.

(1) The officials of the Inspection Office shall examine incoming and outgoing goods under the direction of its Chief.

(2) The officials of the Inspection Corps shall enter stores in small numbers, under the order of their commander, to examine goods, while the remainder awaits outside.

(3) The 25th of the month being the date on which general locking-up of goods is to be carried out, the Inspection Corps shall see to it that each store seals Japanese goods. Goods shall not be confiscated on the day.

(4) Should a person be found selling or buying Japanese goods after the 25th, he shall be punished in accordance with the Regulation Punishing Dishonest People.

(5) When a doubt is entertained about an article as to whether it is from Japan or other countries, the sample of it shall be submitted to the Society for examination. In case the article being found in a store, the stamp of the store concerned shall be affixed thereon in order to show where it came from. Where the article is under transportation, it shall be brought to the Society, accompanied by the transporter, to await the decision. A note of the store, to which the goods belong, shall be obtained in order to prove that they are its property.

(6) ...

- 2 -

(6) An inspector finding prohibited goods, they shall be left in the custody of the police station in the locality.

(7) Inspector in the Post Office shall not examine postal matter, when they are aware absolutely sure, at the time of examination, that it is not addressed to a Chinese.

(8) Stores under foreign capital or management should not be inspected.

(9) The word "chien" (inspected) shall be posted on the entrance of the store, which has been inspected, and sealing labels shall be pasted on the goods that are to be locked up.

(10) The Chief of the Inspection Office shall stamp the letter "chien" (inspected) on the goods under transition, when they have been examined.

Annex No. 5.

The Regulations Rewarding Persons Secretly
Reporting on Dishonest Merchants.

Art. 1. This regulation is drawn up in accordance with the resolution reached at the first meeting of the Executive Committee of the Society.

Art. 2. A person finding a dishonest merchant, who transports and sells Japanese goods, shall give his report to the Society either verbally or in writing, so that the guilty person can be properly dealt with.

Art. 3. An appropriate reward can be given to a person, who gives a secret report on enemy goods, when such have been discovered on examination by the Society.

Art. 4. A reward can be given either in money or by means of honorary commendation.

(1) Monetary Reward:-

- A. A 5% reward on one who reported on enemy goods valued at from \$10 to \$100.
- B. An 8% reward on one who reported on enemy goods valued at from \$100 to \$1,000.
- C. A 10% reward on one who reported on enemy goods valued at from \$1,000 to \$10,000.
- D. A 12% reward on one who reported on enemy goods valued at 10,000 dollars or more.

(2) ...

- 2 -

(2) Reward by Honorary Commendation:

The Society shall give an informant a certificate of merit, or a souvenir, or shall insert an advertisement in newspapers to commend his action publicly.

Art. 5. The above-mentioned rewards can be paid out of fines, in accordance with the afore-mentioned provisions.

Art. 6. A secret informant cannot obtain the two kinds of reward at the same time.

Art. 7. A secret informant can remain incognito, when he wishes to have his identity concealed.

Art. 8. This regulation can be amended by the Executive Committee of the Society.

Art. 9. This regulation shall be in force on the date of publication.

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
 Department of State letter, August 10, 1972
 By Milton O. Gustafson NARS, Date 12-18-75



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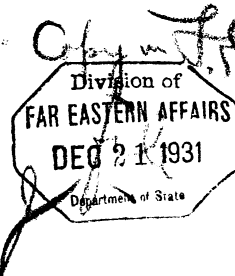
LEGATION OF THE
 UNITED STATES OF AMERICA

Peiping, November 25, 1931.

No. 1285

DEC 19 31

793.94



The Honorable

The Secretary of State,
 Washington.

Sir:

With reference to the Legation's telegram
 No. 974 of November 20, 7 p.m., I have the honor
 1/ to transmit herewith a copy, in translation, of a
 news item published in the Peiping HUA PEI JIH PAO
 of November 20, 1931, giving a report by General
 Chiang Kai-shek to the Kuomintang Congress at Nan-
 king on November 19th. The report deals with the
 serious situation in Manchuria and announces General
 Chiang's intention of proceeding to North China.

2/ There is also enclosed herewith a copy, in trans-
 lation, from the same Chinese newspaper, of a resolu-
 / tion adopted by the Kuomintang Congress on November

20th

F/DEW

793.94/3259

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DEC 23 1931

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

- 2 -

20th, expressing the unanimous opinion of the delegates that General Chiang should proceed north immediately and that the delegates themselves should "hasten to the relief of the Nation".

Respectfully yours,

For the Minister:



C. Van H. Engert
First Secretary of Legation.

Enclosures:

- 1/ Translation from Hua Pei Jih Pao
(Peiping) of November 20, 1931.
- 2/ Translation from Hua Pei Jih Pao
(Peiping) of November 21, 1931.

800.

RLB:MM

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1285

Translation of a news item appearing in
the HUA PEI JIH PAO of November 20, 1931.

(Trans. EFS)

CHAIRMAN CHIANG DECLARED IN THE CONGRESS
YESTERDAY THAT HE WAS DETERMINED TO COME
TO THE NORTH TO RESIST INSULTS.

Special telegram to this paper--

NANKING, the 19th, 8:30 P.M.:--The Fourth National Congress of the Kuomintang held its fifth meeting on November 19th. Delegate General Chiang Kai-shek representing the Presidium made an important report, and at that time no observer was allowed in the session. It has now been found that the leading points of his report were as follows:

"Chiang first stated that eight days had elapsed since the opening of the Congress, that national difficulties and foreign insults increased day by day, that the comrades of the Party who are held responsible for leading a revolution should immediately stimulate themselves and with one accord resist those insults, and that the Congress should in compliance with the great spirit of the Leader admit as many as possible of the comrades who are outstanding in the revolutionary history of this Party, in order to seek unity, and should before the people actively assume the responsibility for national salvation and indicate its determination of assisting the nation to exist or dying with it. He then expressed the hope that at the time of the election of the members of the Central Executive and Central Supervisory Committees of the Fourth National Congress all delegates would elect as many as possible of the members recommended in the list of the Canton comrades. He further indicated that he was determined to proceed to the North to discharge his duties and to serve the Party and the Nation."

All present in the session at that time unanimously stood up and expressed their approval, and the feeling prevailing in the session was one of grief but determination.

EFS:T

Translation of a news item appearing in the HUA PEI
JIH PAO of November 21, 1931.

(Trans. EFS)

THE FOURTH NATIONAL CONGRESS OF THE KUOMINTANG
YESTERDAY RESOLVED THAT CHAIRMAN CHIANG SHOULD
IMMEDIATELY GO TO THE NORTH.

Special telegram to this paper--

NANKING, the 20th, 8:30 P.M.:--The Fourth National Congress of the Kuomintang held its sixth meeting at 2 P.M. on November 20th, at which 381 delegates were present. 13 observers, 25 members of the Committees of the Central Party Headquarters, 3 candidates for the Committees, and the Presidium consisting of Chiang Kai-shek, Tai Ch'uan-hsien, YU Yu-jên, Lin Sên, Ts'ai Yüan-p'ei, Tai K'uei-shêng, P'an Kung-chan, Huang Mu-sung and Enk'opat'u, were present. Dr. Ts'ai Yüan-p'ei took the chair with Mr. Yeh Ch'u-ts'ang as Secretary-General and Messrs. Wang Tsü-chuang, Chu Yün-kuang, Hsü Ching-chih, Hung Lan-yu, Lo Shih-shih, and P'u Liang-chu as recorders. The usual ceremony was held. The report of agenda and the resolutions adopted by the Congress were summarized as follows:

(B) Summary of resolutions:

(1) Mr. Wen Chün-t'ien and other comrades made an extraordinary motion to the effect that the fierce Japanese aggression became worse day by day, that Congress should resolve that Comrade Chiang Kai-shek, Chairman of the National Government, immediately proceed to the North, and that delegates of the Congress should unanimously determine to hasten to the relief

of

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Department of State letter, August 10, 1972
By Milton O. Lustig NARS, Date 12-18-75

-2-

of the Nation. They requested that a public decision be made. All present stood up and voted. The bill was then passed.

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105
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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

DEPARTMENT OF STATE
DIVISION OF FAR EASTERN AFFAIRS

December 22, 1931.

~~M.M.H.~~
~~S.K.H.~~
~~2-17-76~~

The Legation transmits herewith a copy of a portion of a letter dated September 30, 1931, from the Manager of the National City Bank at Mukden to the National City Bank in Peiping. You may be interested in reading this letter for the purpose of ascertaining the views of an American business man in Mukden shortly after the occupation of Manchuria by Japanese troops took place.

I personally am inclined to believe the writer is overly pessimistic.

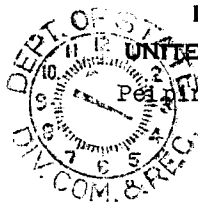
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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75



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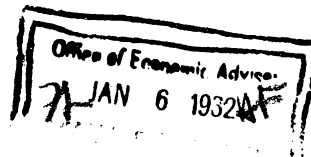


LEGATION OF THE
UNITED STATES OF AMERICA

Peiping, November 24, 1931.

No. 1288

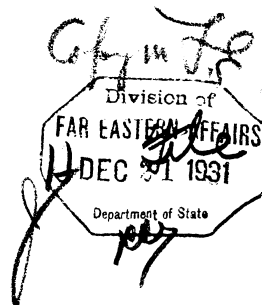
DEC 19 31



CONFIDENTIAL

The Honorable

The Secretary of State,
Washington.



Sir:

Referring to previous communications concern-
ing Sino-Japanese relations in Manchuria, I have the
1/ honor to enclose a copy of a portion of a letter,
dated September 30, 1931, from the Manager of the
National City Bank at Mukden to the National City
Bank in Peiping.

The writer expresses the opinion that the charac-
ter of the occupation of Manchuria will depend upon
the attitude taken by the Foreign Powers and that, if
Japan assumes complete control of South Manchuria,
either openly or indirectly through a new Chinese
Government of their own making, the business of the
National City Bank in Mukden will practically disappear.

Respectfully yours,

For the Minister:

C. Van H. Engert
C. Van H. Engert
First Secretary of Legation.

✓
Enclosure:
1/ as noted above

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Enclosure No. 1
Classification No. 1283

Excerpt from letter dated September 30th from the
Manager of the National City Bank in Mukden
to the National City Bank, Peiping.

Political Developments.

You have undoubtedly read various accounts of the occupation of Mukden by the Japanese Army and there is no necessity to go into a detailed description here, suffice it to say that there were no foreign casualties, the nearest approach being when several machine-gun bullets passed through the Mukden Club. Naturally, some foreigners were somewhat panicky when many rumors were being circulated, such as the one to the effect that the Chinese were going to attempt to retake Mukden and that the Chinese would massacre foreigners to force the Powers to intervene.

The Chinese soldiers, police and citizens made no resistance, nevertheless quite a number were killed and the remainder thrown into a state of abject terror. Chinese have been fleeing from the city by thousands and as late as six days after the occupation our local staff suddenly decided they would join the stampede. However, they were eventually made to see that they would be "jumping out of the frying pan into the fire", and upon being assured that regardless of high prices and short food supplies we would not allow them to starve, they reluctantly

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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

- 2 -

tantly agreed to remain.

The Japanese have looted millions of dollars worth of valuables from the homes of wealthy Chinese in the city and the International Settlement.

I am enclosing the editorial in the Shanghai Evening Post for September 21st, and an article by their Chinese journalist which will give you a very clear picture of the way the situation looks from here in Mukden at this time.

The best informed people are convinced that the Nakamura case was on the point of being settled in accordance with Japan's wishes and that the Japanese Military who had been building up a lot of propaganda saw a fine opportunity eluding their grasp and promptly put into operation a plan which miscarried in 1928, when Marshal Chang Tso Lin was bombed as he was passing under the S.M.R. line. The fact that other Nations are almost as much preoccupied with their troubles as in 1915, when Japan forced the 21 Demands on China, has not escaped notice.

Undoubtedly, the character of the occupation will depend upon the attitude the Foreign Powers adopt and that in turn will be largely governed by the attitude of the United States, which to date has not been very helpful.

The Japanese Military, if we can believe reported statements by Cabinet Members, have taken the bit between their teeth and pay no heed to the desires or instructions of their Government. Even assuming that the present Japanese Government is not in favor of the actions and policies of the Military if the Powers

make

- 3 -

make no protest the Japanese Government will have to agree with the Military or a Military Government will take its place.

We think that the Chinese were getting unreasonable in their attitude towards taxes and abolition of extraterritoriality and agree that the Chinese needed to be disciplined, but if Japan continues in her intention to assume complete control of South Manchuria either openly or indirectly through a new Chinese Government of their own making, our business here will practically disappear.

It is interesting to note, but not of much importance, that the Japanese have tried to start an anti-American movement by circulating hand-bills written in Chinese but using Japanese phraseology, requesting the populace to boycott all Americans. Attention was drawn to the fact that Americans are worse than Japanese as they profess friendship to Chinese but can do nothing to help them in their present trouble, and are really two-faced Imperialists.

Business remains suspended. The Bank of China and the Bank of Communication have opened and are doing a limited business, but the Frontier Bank and Provincial Bank are in the hands of the Japanese Military authorities. We have substantial deposits with the Frontier Bank and Provincial Bank, but we are fully covered by their deposits with us in other currencies. We will probably request payment in silver before we release their balances with us. In the meantime our cash position makes it difficult for us to remain oversold in Mukden dollars.

Until

- 4 -

Until the situation clears it is impossible for us to estimate the direct loss caused us by the Japanese war-like activities but undoubtedly the loss will be considerable.

Economic Conditions.

Economic conditions in South Manchuria depend largely upon the successful marketing of the crop. The marketing of agricultural products this season will be complicated due to the fact that the Provincial Bank and Frontier Bank have been seized by the Japanese Military authorities and there is great uncertainty as to their fate and that of their notes.

From an economic viewpoint a state of war still exists in Mukden.

Yours truly,

(Signed) L.M. COCHRAN

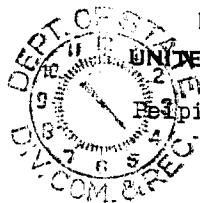
Manager.

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 Department of State letter, August 10, 1972
 By Milton O. Gustafson NARS, Date 12-18-75



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LEGATION OF THE
 UNITED STATES OF AMERICA

Peking, November 18, 1931.

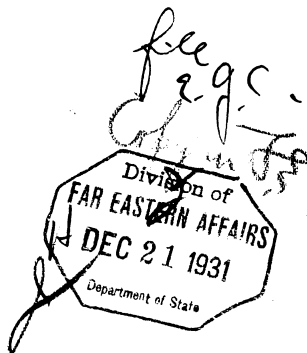
No. 1273

DEC 1931

793.94
 memo
 893.1/12-T

The Honorable

The Secretary of State,
 Washington.



Sir:

1-2/ In continuation of the Legation's Despatch
 No. 1257 of November 12, 1931, transmitting a cir-
 cular concerning the rioting in Tientsin, I have
 the honor to enclose herewith two additional tele-
 graphic circulars, in translation, on this same sub-
 ject. The first of these, issued by Marshal Chang
 Hsueh-liang on November 11, 1931, is based upon in-
 formation received from his brother, the Mayor of
 Tientsin, and reports further rioting. The second,
 issued jointly by the Chairman of the Hopei Provin-
 cial Government and the Mayor of Tientsin on November
 15, 1931, sets forth the circumstances which alleged-
 ly led up to the rioting, announces the measures

adopted

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Department of State letter, August 10, 1972
By Milton O. Lustigsm NARS, Date 12-18-75

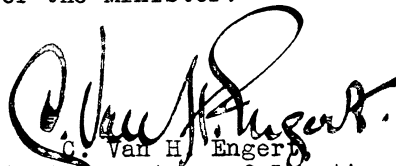
- 2 -

adopted to suppress it, and contains serious allegations as to the role played in the rioting by the Japanese authorities in Tientsin.

Further information on this subject may be found in the press clippings which are being transmitted in the same pouch as this despatch.

Respectfully yours,

For the Minister:


C. Van H. Engert
First Secretary of Legation.

✓
Enclosures:

- 1/ Telegraphic report of November 11, 1931,
issued by Chang Hsueh-liang.
- 2/ Telegraphic circular of November 15, 1931,
issued by Wang Shu-Ch'ang and Chang Hsueh-ming.

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1063
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

Enclosure No. 1
1272

Translation of a news item appearing in the
HUA PEI JIH PAO of November 12, 1931.

(Trans. EFS)

VICE-COMMANDER-IN-CHIEF CHANG TELEGRAPHS
A FURTHER REPORT.

November 11, 1931.

To the Central Party Headquarters, the National Government, the various Yuan, Ministries, Boards, and Commissions at Nanking, the various Provincial Party Offices, Provincial Governments, Municipal Party Offices, Municipal Governments, Field Marshals, Directors-General, Commanders, Divisional and Brigadier Commandants in China, and the various newspaper agencies.

Sirs:

I have been informed by Mr. Chang Hsüeh-ming, Mayor of Tientsin, by telephone of the following occurrences:

"At 9 p.m. on November 10th rifle fire (400 to 500 shots) suddenly broke out in the vicinity of Haikuangssü. The sound of machine guns was very audible and was apparently intended as a signal. At 11 o'clock rifle fire again broke out in different places in the Chinese area and within 300 meters of the Japanese Concession. There immediately appeared a small number of ruffians who launched an attack on the Chinese gendarmes but were all repulsed. At 1:45 a.m. today over 150 ruffians again appeared in the vicinity of the Nankai Middle School and attacked the Chinese gendarmes. The situation was then quite serious, but the ruffians were eventually routed by Chinese gendarmes, and peace gradually restored at 3 o'clock. Stringent measures are now being taken."

I especially address this telegram for your information.

Chang Hsüeh-liang.

the 11th.

Seal of the Secretariat.

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1273

Translation of a news item appearing in the
HUA PEI JIH PAO of November 15, 1931.

(Trans. EFS)

WANG SHU-CH'ANG AND CHANG HSUEH-MING ISSUE
A TELEGRAPHIC CIRCULAR REPORTING THE TRUE
CIRCUMSTANCES SURROUNDING THE TIENTSIN RIOT.

-Chang Pi and Li Chi-ch'un have been commanded
by the Japanese-

-Representations have been repeatedly made,
and the situation has now been moderated-

General Wang Shu-ch'ang and Mr. Chang Hsueh-ming
issued a special telegram a couple of days ago to
various places reporting the history of the riot at
Tientsin, which reads as follows:

"November 12, 1931.

"ESPECIALLY URGENT.

"To the Central Party Headquarters, the National
Government, the various Yuan, Ministries,
Boards and Commissions at Nanking, the various
Provincial and Municipal Party Offices, and
Provincial and Municipal Governments.

"Sirs:

"CONFIDENTIAL. The history of the secret
organization of plain-clothes corps by reactionists
to disturb the safety of the Municipality of Tientsin
in this instance was briefly mentioned in our
telegram sent to the Central Government, Commander-
in-Chief, and Vice-Commander-in-Chief, respectively,
and was also published in the various newspapers
in this Municipality, as is on record.

"The

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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

-2-

"The circumstances prior and subsequent to the riot are now collectively reported as below.

"Prior to the outbreak of the riot, confidential reports were repeatedly received to the effect that Li Chi-ch'un or Li Hao-hsiang, a disappointed military man, and Chang Pi, who were commanded by the Japanese, had called over 1,000 plain-clothes men and had established an organization in No. 6, T'ai-p'ingli, P'ênglaichieh, Japanese Concession, that Li was the Commander-in-Chief, and that it was secretly planned to stage a riot at Tientsin on the 8th and 9th.

"Representation was made with the Japanese Consul at Tientsin demanding that Chang Pi be arrested and turned over, in order to nip the rebellion in the bud. Permission was obtained from the Japanese Consul. However, when Chinese special police in cooperation with Japanese police went there to arrest them, these culprits had fled away beforehand. The information obtained at that time was at once given foreign Consuls at Tientsin. Meantime, the police corps were severally ordered to take stringent measures.

"At 10:30 p.m. on November 8th the plain-clothes corps actually started their movement in accordance with their pre-arranged plan. They first opened fire and launched an attack on the Chinese at Ts'angoh'angan, Mach'angtao, Yühsingeh'lao, and Yüshih and the neighborhood on the border between the Chinese area and the Japanese Concession. They successively occupied the Sixth Station of the

"First

-3-

"First Chinese Police Precinct and the Sixth Station of the Second Chinese Police Precinct in the vicinity of the Japanese Concession. They were repeatedly repulsed by the police corps, and subsequently launched another fierce attack. After desperate fighting throughout the whole night, the plain-clothes corps was gradually defeated and dispersed. They fled into the Japanese Concession. The Sixth Station of the First Chinese Police Precinct was reoccupied. Upon interrogation, plain-clothes men who were made captive gave statements similar to those contained in confidential reports.

"At 6 a.m. on November 9th the Japanese side suddenly telephoned us and falsely said that Chinese military units in attacking the plain-clothes corps had injured Japanese officers and soldiers and should immediately withdraw 300 meters from the Japanese Concession, otherwise necessary action would be taken. We at once informed them that the Chinese forces consisted of policemen entirely and did not contain any military units. However, with a view to endeavoring our best to avoid any further aggravation of the incident, instructions were immediately issued for temporary withdrawal. Unexpectedly and subsequent to the withdrawal of the Chinese forces, the opposite side suddenly fired over twenty shells which fell into the river near the Bureau of Public Safety. Furthermore, their armored cars also advanced in the direction of the Chinese side with the intent to protect the plain-clothes men in launching an attack. Proper defensive

measures

-4-

"measures were then taken. An inquiry was made of the Japanese Consul. Later, artillery fire ceased. Fortunately, no untoward incident took place. It was also reported that the Japanese Army had erected an observation station and military telephone on the roof of the Chung Yuen Company, Ltd., in the Japanese Concession.

"The above was the general and abridged situation of conflicts at the night of November 8th and the morning of November 9th. Foreign Consuls at Tientsin were at once informed of these circumstances.

"During the nights of November 9th and 10th and the morning of November 11th the plain-clothes corps continued to create disturbances, and violently attacked the region under the jurisdiction of the Sixth Station of the First Chinese Police Precinct, Nankai, Mach'ang, and the Peiyang Match Company, Ltd. They were all repulsed. On the morning of November 11th, the Japanese Army also fired several shells upon the Chinese side. Shells which were found were engraved with the characters "Made in the 15th year of Daisho". Similar characters were engraved on hand grenades used by plain-clothes men who were made captive.

"During the night of November 11th the Japanese Consul, accompanied by a staff officer of the Japanese War Office, came to discuss a settlement. Therefore, the situation of the night of November 11th and the morning of November 12th was very quiet. While a small number of plain-clothes

"men

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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

-5-

"men appeared, they were subsequently defeated after defensive measures were taken. In short, the present situation is much more peaceful than during the last few days.

"It has been reported that Chang Pi left Tientsin yesterday morning. Measures are being taken to search for these rioters. The matter will probably be settled shortly. It is feared that untrue reports may be received in a remote place. We respectfully address this telegram for your information.

Wang Shu-eh'ang,
Chairman of Hopei Provincial Government.

Chang Hsüeh-ming,
Mayor of Tientsin.

the 12th.

Seal."

EFG:T

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AM RECD

No. 7993



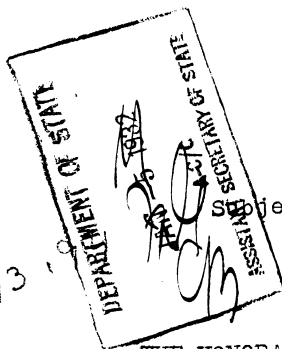
AMERICAN CONSULAR SERVICE.

American Consulate General,
Shanghai, China, November 30, 1931.

DEC 1931

Subject: Japanese-Manchurian War,
September 18, 1931.
"Manchurian Medley."

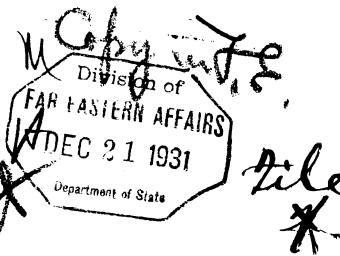
COPIES SENT TO
O.N.I. AND M.I.D.



THE HONORABLE

THE SECRETARY OF STATE,
WASHINGTON.

Sir:



I have the honor to transmit herewith a series
1/7/ of seven articles published in THE NORTH CHINA DAILY
NEWS (British) on November 21, 23, 24, 25, 26, 27,
and 28, 1931, under the title of "The Manchurian Medley,"
written by Mr. Edwin Haward, Editor-in-Chief of this
journal. At this time articles written by a person who
is as prominent in the formation of public opinion as
is the editor of THE NORTH CHINA DAILY NEWS must be of
interest to those studying the problems of Manchuria
since September 18, 1931. Mr. Haward made a personal
tour throughout Manchuria for the purpose of studying
the situation and during that trip acted as special
correspondent of THE NORTH CHINA DAILY NEWS. This series
of articles presents an account of conditions as they
exist there, with the editor's own interpretation of many
important questions.

The first article may be regarded as a record of
events during the two months covered, from September 18

to

F/DEW

793.94/3262

-2-

to November 20, 1931. The second article is a more critical examination of the action of the military, under the heading of "Martial Law at Work. Chinese Officialdom Acting Under Strict Compulsion." The third is entitled "A Land Bled White. Oppression and Economic Degradation and Their Results. Realities Assert Themselves." The fourth is "The Japanese Veil. A Game of Energetic Realism Versus Passive Resistance." The fifth article is but a description of the country from Dairen to Harbin, with a statement of "The Impact of Russian Policy on Chinese Polity." The sixth is under the heading of "Strong Silent Men in Real Life," and the seventh is "Japan's Real Problem. Puppets that are Useless in the Long Run. A Classic Object Lesson."

The article of November 21st is a rather concise and clear statement of the important events of the two months under review. He considers the happenings in three phases and graphically presents the reasons which made it necessary to repair the bridge over the Nonni River.

In his second article Mr. Haward presents a more critical examination of the action of the Japanese military authorities in handling the civil problem for the first two months. His tribute to the Japanese military organization in Manchuria is direct when he states that:

"The explosion of the railway line on September 18, whatever its origin, was the equivalent of the pressing of a button and the whole of an elaborate scheme came into operation as by clock-work. Such a scheme could not be improvised in a moment."

He pays a tribute to the gentlemanly conduct of the individuals composing the Japanese army in Manchuria.

He

-3-

He claims that:

"It can be asserted without fear of contradiction that any Chinese formal acquiescence in administrative action in Manchuria during the last two months has been secured because of Japanese armed insistence. Still the result has been to set functioning a civil administration which has merits unpossessed by any recently known in the country."

He does not give much credence to the report that the Japanese would utilize Prince Kung in the establishment of a government in Manchuria. He emphasizes what is generally accepted as a fact, that Marshal Chang Hsueh-liang's rule in Manchuria was a misrule.

Mr. Haward correctly interprets the policy of the Japanese military when he states that their action in Manchuria was based upon the belief that their best defense was in attack. This has been indicated very frequently in various conversations occurring in Shanghai between the Japanese and International Settlement authorities. The criticism that the Japanese have constantly made is that the International Settlement authorities discouraged direct attack on the Chinese except as a last resort, while the Japanese believed that the only way to prevent riots and disturbances in the International Settlement was to meet disturbances which were imminent by direct attack.

The important point emphasized in article IV is the loyalty of the Chinese in Manchuria to the Nanking Government, which has been increased by the Japanese occupation of Manchuria.

The first and final articles are the ones of greatest importance; the others but elucidate these two. The

title

-4-

title of each article fairly well indicates the subject matter discussed therein.

Mr. Haward no doubt reflects correctly the opinion of many residents in the Far East, that whether the breach came on September 18th or at some later date was immaterial, as a clash was bound to come eventually. There are many who believe that the Japanese would have appeared to better advantage before the court of public opinion throughout the world had they not attempted to camouflage their reason for action on September 18th. That it was camouflaged no one doubts.

It is hoped that this series of articles will be of interest to the Department and the Legation, as they are written by a man who is believed to have had very favorable opportunities of observing the situation and has had sufficient background in China to enable him to picture conditions in a very reliable manner.

Respectfully yours,

Edwin S. Cunningham
Edwin S. Cunningham,
American Consul General.

✓
Enclosures:

1/7- Series of articles entitled
"The Manchurian Medley" from
THE NORTH CHINA DAILY NEWS of
November 21, 23, 24, 25, 26,
27 and 28, 1931.

ESC MB
800

In Quintuplicate.

In Duplicate to Legation.

Copy to American Consulate, Dairen.

Copy to Consulate General, Harbin.

Enclosure No. 1 to despatch No. 7995 of Edwin S. Cunningham,
American Consul General at Shanghai, China, dated November 30,
1931, on the subject: "Japanese-Manchurian War, September
18, 1931. Manchurian Medley."

Article from THE NORTH CHINA DAILY NEWS (British)
of November 21, 1931.

S DOINGS

Theatres:
Apollo, Hell Bound
Capitol, Personal Maid
Carlton, Rookery Nook
Embassy, Charlie Chan Carries On
Isis, A Lady's Morals
Nanking, Annabelle's Affairs
Odeon, Tolerable David
Paris, What a Widow
Strand, East of Borneo
Willies, Hush Money

Ma Chang-shen, a sturdy little fire-
eater of 67, surrounded by a staff
of giants whom he controlled with
a biting tongue, rapier-like glances
from his sharp eyes and the brist-
ling of his short black moustache,
was out against him. General Ma,
in the course of his operations, de-
stroyed four bridges on the Toa-
nan-Angangchi Railway. Chang
Hai-peng, encouraged by the Jap-
anese, marched to attack the Hel-
lungkiang troops. The last named
drove the Taonan warrior and his
men back like sheep. The Japanese
were faced with the complete break-
down of traffic on the feeder line.
They could not permit the passage
of cereals at this time of the year
to be thus impeded. They decided
to repair the bridges and restore
communications. General Ma's
argument was that, when he had
settled his differences with Chang
Hai-peng, the bridges might be re-
nated—he might even help to re-

(The next article will appear on
Monday.)

This second phase of stabilisation
included the formation of a Peace
Preservation Committee under Mr.
Yuan Chin-kai, a Manchurian
citizen of standing. From this com-
mittee sprang the new administra-
tion of Liaoning which with Japan-
ese "concurrence"—that is under
Japanese direction—formally as-

restored confidence, the refugees
began to make their way back to
Mukden having had a most expen-
sive fit of fright from which the only
beneficiaries were their own coun-
trymen.

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MANCHURIAN MEDLEY

NOV 21 1931

Three Phases of Japan's
Armed Occupation

JOB DONE TOO WELL

Bandit Gangs Swollen By
Dispersed Soldiery

BY EDWIN HAWARD

Manchuria, now as blessed a word as Iraq once was, is being spelt by many folk from Nanking to Washington, London, Geneva, Paris and, even, Moscow. Following the methods of that eminent Victorian educationalist, Mr. Wackford Squeers, it is not a bad idea, therefore, to come to Manchuria and see the Manchurian Medley at close quarters. A very high Japanese authority, the other day, had just returned from Tokyo to Mukden. He ruefully declared that at Tokyo the situation was not fully understood. So the newcomer feels assured as he attempts to assess on the spot the actualities of a problem on which much has been written and about which men have been busy of late.

Amid the mass of material contained in printed pages one sentence in an otherwise academic treatise stands out in the mind. The author was endeavouring to present, to an earnest body of Chinese students of political affairs, his impressions of the discussion of the Manchurian question at Kyoto exactly two years ago. He wrote: "The Manchurian question evidently could not be

THE MANCHURIAN MEDLEY

The Editor of the "North-China Daily News" returned yesterday to Shanghai from his tour in Manchuria, where he has been studying the situation and acting as Special Correspondent of this journal. He has written, in Manchuria, a series of seven signed articles which endeavour to set out the main features of the problem there. The first of this series is published to-day; the rest will appear from Monday onwards on page seven.

settled by argument." It is true that he went on eventually to say: "This is the first time that the Pacific Institute has undertaken to discuss the Manchurian question. Better results may come forth, if this is continued once or twice." Of the validity of this rider there may be some doubt. Indeed, having observed how readily the habit of

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By Milton O. Gustafson NARS, Date 12-18-75

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"This is the first time that the
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discuss the Manchurian question.
Better results may come forth, if
this is continued once or twice."
Of the validity of this rider there
may be some doubt. Indeed, having
observed how readily the habit of
developing partisanship is acquired
all along the line from Dairen to
Mukden, from Mukden to Chang-
chun, to Kirin, to Harbin and even
to Tsitsihar, after a rolling, pitching
journey from Shanghai by way of
Tsingtao, the detached observer is
apt to be appalled. He grows to
hate a clear-cut opinion as the
devil hates holy water. He
finds that the whole world is
divided into men who are either
"pro Chinese" or "pro Japanese."
He develops a deep sympathy with
the League of Nations, if such a
death's head may sit at the Man-
churian feast. In less than a fort-
night the detached observer en-
deavoured to obtain the views of
all classes of opinion, quotable and
unquotable. He met much pro-
pagandist effort, some of it in-
credibly crude. He was given
views, considered and unconsidered,
frank and reserved. Even crudity
and studied reserve are often illu-
minating. Let the result then of
these observations and these im-
pressions be set down as simply as
the case permits.

The Beginning

The busy cables have recorded in
much detail the events in Man-
churia since September 18, put it on
the front pages of newspapers the
world over. It would be superfluous
to recapitulate them. It is also un-
necessary to argue whether the
strip of railway track near the
North Barracks outside Mukden
was really blown up by Chinese sol-
diers. The Japanese say it was:
they have photographs, debris of
the sleeper and a Chinese uniform
to prove their point. Others wag
their heads. The driver of the No.
14 Up-train from Changchun
knows that he got into Mukden on
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over the damaged track—slowing
down in obedience to emergency fog
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the explosion, his train tilting gen-
tly to the left as it gingerly made
its way over the spot. Yet he was
able to spurt and so preserve intact
his record for punctuality on which
the South Manchuria Railway is
properly and notably insistent. It
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derliness which marks the de-
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and the stiffness of the staff's at-
titude of attention until the depart-
ing train has vanished into the
middle distance.

a few months.—Reuter.

LONDON SILVER
PRICES

All that matters little. The course
of events can be summarised as
passing through three phases.
First there was the move of the
Japanese troops on the first alarm.
It was based on the belief that the
best defence was attack. So, with

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All that matters little. The course of events can be summarised as passing through three phases. First there was the move of the Japanese troops on the first alarm. It was based on the belief that the best defence was attack. So, with machine-like precision, vital points were seized. From the North Barracks two thousand Chinese soldiers were ejected by 600 Japanese, with Chinese casualties amounting to 300 killed, 300 disarmed and sent about their business and the rest dispersed. The Arsenal and Mukden itself were occupied. Later, by swift action, the Japanese established themselves at Newchwang, Taonan, Changchun and

(Continued on Page 14.)

Enclosure No. 2 to despatch No. 1935 of Edwin S. Cunningham,
American Consul General at Shanghai, China, dated November 30,
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18, 1931. Manchurian Medley."

Article from THE NORTH CHINA DAILY NEWS (British)
of November 23, 1931.

The Manchurian Medley—II.

MARTIAL LAW AT WORK

NOV 23 1931

Chinese Officialdom Acting Under Strict
Compulsion

AN ARMY OF GENTLEMEN

BY EDWIN HAWARD

More critical examination of the actions of the Japanese military authorities in handling the civil problem of the first two months is desirable. It is plain that the explosion of the railway line on September 18—whatever its origin—was the equivalent of the pressing of a button and the whole of an elaborate scheme came into operation as by clock-work. Such a scheme could not be improvised in a moment. The Japanese General Staff, with an apparent desire to show that the call of September 18 was unexpected, mention the fact that the Japanese battalion commander was in bed when the call came and first thought he was summoned to what was a practice drill. It is also remarked that the reinforcements from Fushun took four instead of one-and-a-half hours to arrive. These are mere incidental hitches when the movements of the troops are taken generally into account. The tale of Changchun has been told. It is eloquent of the quick application of an arranged plan. What happened at Newchwang, for example? Within half an hour of their arrival the Japanese troops on September 19 had obtained complete control of the fabric of the Chinese administration. The same is true of the situation in Mukden. Moreover, banks were occupied, funds were subject to Japanese control and supervision.

The Three Phases

In fact by a stroke, as it were, Manchuria was cut off, financially and administratively, from the rest of China. There were then three phases. First, there was complete Japanese control—naked and unashamed martial law. The next step involved the creation of the Peace and Order Preservation Committees on Japanese initiative, Chinese acquiescence being secured by force. These committees' nominal authority was used to raid the Salt gabelle and to convey orders to the other branches of the Central Government's administration. Behind it, withdrawn ostentatiously into the background but decisively displaying its influence when required, was the Japanese Army. Chinese bank officials were eventually intimidated by Chinese police. The police, however, were pressed into service by Japanese agents of the Committee, although it must be confessed that, ensured regular payment of their emoluments and proper discipline, they found the change of masters by no means unpleasing, once they had recognised the force of the inevitable. Indeed, no-one watching the Chinese police at Mukden and elsewhere could deny the smartness and evident satisfaction with which they performed their duties. After lengthy negotiations in which the threat of force was invoked, the funds of the salt administration were surrendered for the benefit, so

of course is in his province. So long as General Ma was holding out in Heilungkiang, Harbin could afford to ignore General Hsi Hsia. A different situation might arise if Heilungkiang too came under a Japanese-directed Governor.

At Mukden, Mr. Yuan Chin-kai made it clear that he was acting under compulsion and, in some degree, out of a sense of what passes for patriotism in China. So, when confronted with the plans for the transformation of his office into that of virtual Governor of Liaoning—always under the dictation of the Japanese Army—he saw no particular difficulty in continuing to supply the Chinese figurehead for which the Japanese looked. On November 15, when he made the public announcement of this change or promotion, he burst into tears, according to a reliable Chinese version, and equivocally observed that his position was "quite plain" for his countrymen to see. It can be asserted, without fear of contradiction, that any Chinese formal acquiescence in administrative action in Manchuria during the last two months has been secured because of Japanese armed insistence. Still the result has been to set functioning a civil administration which has merits unpossessed by any recently known in the country.

Consolidation Plans

The Japanese are obviously looking to a fourth and, perhaps, a fifth phase. They want to consolidate the provincial governments under one civil Chinese head. That is why rumour has been so active in discussing the plans of Prince Kung and the ex-Emperor Pu Yi. The suggestion is that, if Pu Yi, who is credibly stated to be in Mukden, can be induced to accept a Manchu throne in Manchuria, the Japanese will be provided with a rallying point for the permanent continuance of their newly-created provincial administrations. Officially, they have denied any intention to utilise Prince Kung's alleged brain-wave. Count Uchida has been quite acid in his comment on the subject. A good deal of picturesque speculation has been aroused by the discovery of the blessed—but irrelevant—phrase, "Manchuria for the Manchus" and of the manufacture of dragon flags in the Mukden bazaars. Here in Mukden it is difficult to believe that the Japanese would resort to this melodramatic expedient. Even if they were desperate in their search for Chinese shoulders, ready to receive a burden, which, sooner or later, will be too heavy for the Army to continue to bear, it may be doubted if they would regard the amiable young Manchu Prince, for all his stainless record, as a suitable instrument for the solution of the problem. They cannot, surely, entirely disregard the possible effect of such an enterprise on the Government of China which

per focus. They show that there has been the application of an elaborately conceived plan for the complete and instant elimination of the former Chinese administration—except for the Central services—and its replacement, first by purely Japanese authority, secondly, by local and tentatively charged Chinese elements and thirdly, by an apparently full-fledged indigenous administration, backed by Japanese militarist power. From the Japanese point of view the scheme has worked well—except in one important particular. They have been unable to remove the pistol point. They have not secured the unreservedly willing and spontaneous adherence of any Chinese to their plans. The new Provincial Government of Liaoning and the Governor of Kirin have both formally declared the severance of their connection with the rest of China. The declaration, in the former and more important case, has been qualified by the intimation that it is made under compulsion. That General Hsi Hsia, formerly Chief of Staff to General Chang Tso-hsiang, the previous Governor of Kirin, is acting on similar pressure is beyond dispute. Even the volatile Chang Hai-peng is subject to fits of inconvenient frankness regarding his capacity as a free agent.

On Record

Of the Central Government services, the telegraphs have been shut down and the wires are in entirely Japanese hands. The radio station at Mukden is dumb. The railways, the salt administration and the customs have been permitted to function. While there has been peremptory interference with the postal services, a satisfactory arrangement has, it is gathered, been made there, although it should be remembered that Japanese post offices, free from all Chinese direction and control, have been long working in the railway zone and their operations have been merely extended, in the recent happenings. Moreover, the Central Post Office Administration is strictly supervised by Japanese military authority like every other service in Mukden. There has been much difficulty on such lines as the Peking-Mukden Railway. Here, again, the Japanese military have been confronted by

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A Great Asset

Here the Japanese had a great asset in the personality of the rank and file of their Army, who have behaved like gentlemen in Manchuria. Their ruthlessness has been strictly confined to the necessity of the immediate purpose. There has not been a single whisper of their getting out of hand. The early fears of the mass of the Chinese population regarding the treatment likely to be expected from the Japanese—based, on the whole, on bitter remembrances of the conduct of their own soldiers—were composed by actual experience. So the situation became rapidly capable of advancement to the third phase. This involved the extension of the Mukden Peace and Order Preservation Committee's authority—again with the scholar, elder-statesman and man of the world, Mr. Yuan Chin-kai at its head—to the whole of the Liaoning Province. In Kirin, the new creature-Governor, General Hsi Hsia, with Japanese soldiers shadowing his every movement and guarding him closely night and day, had already provided an object lesson of the manner in which the Japanese Army proposed to proceed. It may be noted here that his writs, with their Japanese backing, did not run at Harbin, which

tion has been aroused by the discovery of the blessed—but irrelevant—phrase, "Manchuria for the Manchus" and of the manufacture of dragon flags in the Mukden bazaars. Here in Mukden it is difficult to believe that the Japanese would resort to this melodramatic expedient. Even if they were desperate in their search for Chinese shoulders, ready to receive a burden, which, sooner or later, will be too heavy for the Army to continue to bear, it may be doubted if they would regard the amiable young Manchu Prince, for all his stainless record, as a suitable instrument for the solution of the problem. They cannot, surely, entirely disregard the possible effect of such an enterprise on the Government of China which rests on the definite rejection of the imperial traditions. It would be most uncomfortable for Nanking if the living symbol of those traditions were to be once more enthroned so close at hand.

The Young Marshal's Position

This is set down with due reservation for, in the Medley, it is impossible to dogmatise on what can and what cannot happen. There are even cautious folk who refuse definitely to aver that Marshal Chang Hsueh-liang will never come back to Mukden. Could more be said to indicate the need for avoidance of prophecy? Here it may be parenthetically observed that the Japanese are leaving nothing undone to expose the deficiencies—a mild term—of the Young Marshal's rule. They are not without material or justification. In their assumption of the control of the salt administration they have plainly overstepped the bounds. It must have been something of a shock to discover that the Chinese Government, with all its faults, can command officials who have ventured to resist foreign military dictation and have refused to permit a forcible transaction to masquerade as the expression of local Chinese sentiment. The change may lead to a more beneficial disbursement of the salt revenues hitherto dissipated on military adventures. Of this Japanese apologists can be trusted to make much capital; they can hardly be blamed on that score.

These impressions are given with the intention of bringing the events of September 18 onwards into pro-

the salt administration and the customs have been permitted to function. While there has been peremptory interference with the postal services, a satisfactory arrangement has, it is gathered, been made there, although it should be remembered that Japanese post offices, free from all Chinese direction and control, have been long working in the railway zone and their operations have been merely extended, in the recent happenings. Moreover, the Central Post Office Administration is strictly supervised by Japanese military authority like every other service in Mukden. There has been much difficulty on such lines as the Peking-Mukden Railway. Here, again, the Japanese military have been confronted by the necessity to show that they are acting under force of arms and not by any colour of right. They have had to bow to fearless opposition where their interference threatened to impede the main current of traffic. They have had no support in carrying out ruthless closure, diversion, and cutting of lines for the development of their own railway system. This is being put on record against them. They may not mind. It must, at least, be admitted that the course of events, since their plan was put into operation, has not favoured any attempt on their part to withdraw. For, on the one hand, they have had consistently to proceed with the argument of force; on the other, nothing has been evolved, either by them or by the independent efforts of Chinese, to replace the system thus brought into existence.

Attention to the causes of the upheaval and to the scene of it must now be given.

[The first article in this series appeared on November 21.]

Enclosure No. 3 to despatch No. 1945 of Edwin S. Cunningham,
American Consul General at Shanghai, China, dated November 30,
1931, on the subject: "Japanese-Manchurian War, September
18, 1931. Manchurian Medley."

Article from THE NORTH CHINA DAILY NEWS (British)
of November 24, 1931.

The Manchurian Medley—III.

A LAND BLED WHITE

Nov. 24 1931 Oppression and Economic Degradation and Their Results, Realities Assert Themselves

BY EDWIN HAWARD

Cast a look at this country of the Medley. Seen in the late autumn before the grip of the winter's bitter cold has seized it numbingly, it lacks, of course, the greenness and soft luxuriance of the months when the crops of Kaoliang (millet) and the famous beans are flourishing. It gives a sense of grandeur, of strength as it unfolds its rolling brown expanses to the traveller. He can journey for two days continuously and rapidly by train from south to centre and from centre to the west before shaking it out of his vision. It is a country like Canada with possibilities of the same degree. The people are but sparsely spread over its generous acres. There are 30,000,000 of them to some 382,000 square miles and 27,000,000 of them are Chinese. These Chinese are jolly, sturdy peasantry living in mediaeval conditions. They are used to the happy-go-lucky, paternal yet casual control of local chieftains. In recent years they have been swelled in numbers by the influx of immigrants from the south. At first these immigrants were mainly seasonal labourers who returned to their own homes when the winter came. Then as the value of Manchuria and its freedom from some of the asperities of China proper impressed themselves on their minds the immigrants began to settle. Nearly a million thus cast their lot permanently in Manchuria in 1927. In the following years half a million annually followed their example. To a people little inclined to a strenuous life but content to let habits of frugality and industry on a subdued scale have sway, it was natural that autocracy should perform the higher functions of administration. They did not worry greatly about the finer points of government. All they desired was to be let alone to till the fields, sow their crops and garner the proceeds. They accepted the rough with the smooth and, therefore, the constant presence of bandits who stood outside the polity of the country and levied their blackmail on its prosperity. This primitive simplicity, when penetrated by modern forcefulness in the shape of railway communications, was content. So the Russians from the North-west and the Japanese from the South-east were allowed to develop their rivalry, to settle their respective differences on the basis of a rough geographical convenience. The Japanese record in South Manchuria is well-known. The South Manchuria Railway with its smooth-running, luxurious trains, its heavily laden goods trains, its ironworks, its coalmines and its well-planned port at Dairen, is eloquent. It has created a stability in the shadow of which the Chinese inhabitant and the Chinese settler alike have been encouraged to thrive. Only about a quarter of a million Koreans have found residence there. Under Japanese development the Chinese settler from Shantung, from Honan and Shansi has been encouraged to enter, become a peasant-proprietor and find in Manchuria that security denied to him in his own land.

had begun. Economic difficulties prevented a swift reversal or restoration of the currency. Then came the fatal intervention of 1930. Marshal Chang Hsueh-liang, with the best intentions in the world, decided to appear at Peking in the guise of a peacemaker between the North and the South. He was drawn into the vortex of Kuomintang politics for which the bulk of his people had little use. Meanwhile, the needs of his army accelerated the depreciation of the currency. Manchuria was being bled white. The most fertile country in the East of Asia was a prey to ever-increasing hordes of bandits to whose ranks ruined peasantry flocked in desperation. The political reunion with Nanking led to the intrusion of political adventurers bringing the heady doctrines of anti-foreignism, the target for which was provided by the little community of Japanese organisers of railway and industrial enterprises as ancillary to the country's main industry of agriculture.

A Would-be Reformer

The Young Marshal manfully endeavoured to start beneficent works of improvement. He was ever hampered by the incubus of his military commitments south of the Wall. Juggling with the depreciated feng-piao currency naturally followed. The cup of the Manchurian farmer's bitterness was full. This fomented unrest in which the destroyed economic fabric of the country bore deadly witness to the fertility of the discontent. The outward and visible sign of this deterioration was vouchsafed in the constant increase in the depredations of the bandits. The arrogant ignorance of the political agitators sought to divert the minds of the people from their plight by exciting them against the Japanese who came to be described as oppressors and exploiters of "imperialistic" intent. In vain were the rulers of Manchuria warned of the consequences of this shortsighted policy. To some extent, they may be regarded as the hapless victims of circumstance. In the old days the immigrant from the South could acquire his little piece of land by squatter's rights. When the fruits of his toil had been gathered in, the tax-collector came along and took a modest 20 per cent. Both parties were satisfied. Then the pressure of larger politics induced by Chang Tso-lin's intervention in southern affairs told its tale. The land was portioned out to officials who farmed the taxes and, in addition, made it necessary for the immigrant to obtain advances for his tools. The right of free squatting went. This—with the depreciation of the currency—soon transformed the once lightly taxed peasant proprietor into a land-serf. Under the Young Marshal the advance of serfdom was rapidly extended. Immigrants began to send word back to China that Manchuria was no longer a land of promise.

Absentee Landlordism

ed by current world depression the check thus put on immigration accentuated the seriousness of the situation. In this atmosphere the irrelevant bombast of the anti-foreign agitators obtained a hearing which would be denied to it in prosperous times. Up north two years ago the storm broke over the Chinese Eastern Railway. The Russians had to move, as the Japanese have moved now. The conflict was short. To begin with, Mukden was lukewarm. Heilungkiang had to bear the brunt of the clash. With very few troops Russia managed to restore the *status quo*. The defeated or rather scattered Chinese soldiery, notably from Fengtien, looted and burnt their way of retreat. Thirty-five carloads of ill-gotten gains made their appearance at Harbin where grand pianos, furs, jewellery and other appurtenances of Chinese officials were to be purchased for a song. For the last few months the indignities heaped upon Japanese subjects and the insults hurled upon Japanese soldiers in Manchuria have marked the growing recklessness of the Kuomintang-fed agitators. The authorities at Mukden had no settled plan of anti-Japanese demonstrations.

A Policy Wanted

They appeared to have no policy. Yet they did not discourage the constant irritation of Japanese officials and residents. Their troops were unwisely puffed up with a belief in the superiority of numbers. Challenges to Japanese authority in every respect were frequently made. The whole of South Manchuria became a powder magazine in which a spark might at any moment cause an explosion. Further away, Nanking probably failed to detect the significance of this. It was perhaps thought that the technique so usefully applied in the Yangtze Valley was suitable for Manchuria. Realities, however, have a way of coming more surely to the surface here. The reality which the Japanese faced was of two kinds: first, the smallness of their numbers; and secondly, the material importance of the smooth development of their trade in a country to which they had contributed such great qualities of enterprise and skill and such large sums of money. Moreover, inaction in the face of constant Chinese provocation had stirred up resentful patriotism in Japan. The wise man would have foreseen the inevitable consequences. Unfortunately the ruler of Manchuria was absorbed in his well-meant efforts to avert disunity in China proper. It matters little then whether the spark was thrown up on September 18 by Chinese or Japanese. The clash was bound to come. And come it has. Reverberations have sped across the world. But is the truth really perceived? Can even those on the spot in Manchuria know the realities of the situation? Those doubts assail the mind of anyone who is not content to dwell on the facts of the immediate present and past. Will the future endorse the apparent inexorability of recent causes and their effect? An attempt will be made to provide material for consideration of this vital problem.

[Previous articles in this series appeared on November 21, 23.]

Enclosure No. 3 to despatch No. 777 of Edwin S. Cunningham,
American Consul General at Shanghai, China, dated November 30,
1931, on the subject: "Japanese-Manchurian War, September
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Article from THE NORTH CHINA DAILY NEWS (British)
of November 24, 1931.

The Manchurian Medley—III.

A LAND BLED WHITE

Oppression and Economic Degradation and Their Results, Realities Assert Themselves

BY EDWIN HAWARD

Cast a look at this country of the Medley. Seen in the late autumn before the grip of the winter's bitter cold has seized it numbingly, it lacks, of course, the greenness and soft luxuriance of the months when the crops of Kaoliang (millet) and the famous beans are flourishing. It gives a sense of grandeur, of strength as it unfolds its rolling brown expanses to the traveller. He can journey for two days continuously and rapidly by train from south to centre and from centre to north, to develop their industry, to settle their respective differences on the basis of a rough geographical convenience. The Japanese record in South Manchuria is well-known. The South Manchuria Railway with its smooth-running, luxurious trains, its heavily laden goods trains, its ironworks, its coalmines and its well-planned port at Dairen, is eloquent. It has created a stability in the shadow of which the Chinese inhabitant and the Chinese settler alike have been encouraged to thrive. Only about a quarter of a million Koreans have found residence there. Under Japanese development the Chinese settler from Shantung, from Honan and Shansi has been encouraged to enter, become a peasant-proprietor and find in Manchuria that security denied to him in his own land.

North of the Great Wall

So it is not surprising that the policy of the rulers of Manchuria has been to leave alone the hectic troubles of China south of the Great Wall. This policy was maintained until Chang Tso-lin had dreams which, in all too short a time, led to that last fateful journey from Peking. His successor, well-intentioned, eager to rule for the benefit of his people, tried to restore the old aloofness. He had no easy task. In his father's time the tragic process of depreciating the currency for the purpose of buying munitions and maintaining a swollen army

had begun. Economic difficulties prevented a swift reversal or restoration of the currency. Then came the fatal intervention of 1930. Marshal Chang Hsueh-liang, with the best intentions in the world, decided to appear at Peking in the guise of a peacemaker between the North and the South. He was drawn into the vortex of Kuomintang politics for which the bulk of his people had little use. Meanwhile, the needs of his army accelerated the depreciation of the currency. To come along and took a modest 20 per cent. Both parties were satisfied. Then the pressure of larger politics induced by Chang Tso-lin's intervention in southern affairs told its tale. The land was portioned out to officials who farmed the taxes and, in addition, made it necessary for the immigrant to obtain advances for his tools. The right of free squatting went. This—with the depreciation of the currency—soon transformed the once lightly taxed peasant proprietor into a land-serf. Under the Young Marshal the advance of serfdom was rapidly extended. Immigrants began to send word back to China that Manchuria was no longer a land of promise.

Absentee Landlordism

Immigration dropped off. Yet the young ruler of Manchuria could do nothing. His Peking adventure naturally attracted to him advisers who saw in the glamour of high diplomatic life in the historic old capital a far pleasanter life than the comparatively obscure rigour of Manchurian administration. Land was freely divided out among people who became in effect absentee landlords. The inevitable tale of oppression and economic degradation was told. A country which could easily absorb a population of 75,000,000 must have immigrants of the right type. At a time when economic development was necessarily cramped

ed by current world depression the check thus put on immigration accentuated the seriousness of the situation. In this atmosphere the irrelevant bombast of the anti-foreign agitators obtained a hearing which would be denied to it in prosperous times. Up north two years ago the storm broke over the Chinese Eastern Railway. The Russians had to move, as the Japanese have moved now. The conflict was short. To begin with, Mukden was lukewarm. Heilungkiang had to bear the brunt of the clash. With very few troops Russia managed to restore the *status quo*. The defeated or rather scattered Chinese soldiery, notably from Fengtien, looted and burnt their way of retreat. Thirty-five carloads of ill-gotten gains made their appearance at Harbin where grand pianos, furs, jewellery and other appurtenances of Chinese officials were to be purchased for a song. For the last few months the indignities heaped upon Japanese subjects and the insults hurled upon Japanese soldiers in Manchuria have marked the truth really perceived? Can even those on the spot in Manchuria know the realities of the situation? Those doubts assail the mind of anyone who is not content to dwell on the facts of the immediate present and past. Will the future endorse the apparent inexorability of recent causes and their effect? An attempt will be made to provide material for consideration of this vital problem.

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Enclosure No. 5 to despatch No. ⁷⁹⁹ of Edwin S. Cunningham,
American Consul General at Shanghai, China, dated November
30, 1931, on the subject: "Japanese-Manchurian War, September
18, 1931. Manchurian Medley."

Article from THE NORTH CHINA DAILY NEWS (British)
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STRONG, SILENT MEN IN REAL LIFE

NOV 27 1931

How The Japanese Army Does Its Job And Many Other Things

A ROLE OVERACTED AT TIMES

BY EDWIN HAWARD

If ever the popular novelist's ideal of the strong silent man were clothed in flesh and blood, the officer or man of the Japanese Army would be he. It is a very silent army which goes about its business in Manchuria. Never a smile seems to flit across the faces of the thick-set little men in khaki, flecked with red. They are understood to have their moments of fierceness. In the thick of hand-to-hand fighting they have a volcanic fury. They have created for themselves a very real respect and commanded obedience from the civil population by methods which have nothing of the kid-glove about them. Certain Chinese workmen, who were offered free soup on the ticket plan under the auspices of the Japanese Army after the events of September 18, flatly declined on the ground that the offer was either the prelude to poisoning or to the collection of soup-eaters in a suitable spot for the purpose of machine-gun practice. This idea was erroneous, as was afterwards admitted. But the fate of other equally humble residents who failed to comply with martial law orders discouraged the notion that the Japanese Army did not believe in exemplary punishment. While, therefore, the cruder forms of treachery—such as that of the Chinese in coolie disguise who asked assistance from two unsuspecting Japanese sentries, then shot them in the back in cold blood, but paid for it later—do not find favour with the Japanese: they are ruthless when a moral effect has to be created for the better preservation of order by a small force in the face of greatly superior numbers. That is on duly prescribed occasions. In the intervals the Japanese method is rock-like. There is little fuss; the work of garrisoning occupied territory proceeds smoothly. Inscrutability is as much a part of their equipment as their rifle and bayonet or curved steel-scabbarded swords.

General Staff Vagueness

It must not be thought that, in all emergencies, these attributes of silent strength have been to the fore. Especially in the early days of the Army's drama there were unexpected hitches in the military programme, hitches which brought up the question of the rights of Chinese public or private concerns with some punctilious foreigner pressing it. Then it has to be confessed there were scenes but they were usually settled with satisfaction and honour to both sides. It is difficult not to admire this intensely serious military machine. It is more difficult in every respect to accept its apologists' explanations of its performances. There is the initial phase of the present situation for example. Study of the General Staff reports, questions of the General Staff do not lead to

red facings, daggers and revolvers. They, of course, are old hands at the game; they are always on active service, as it were, but at this time their duties are obviously heavier than usual. It is said that a number of volunteers have been enrolled. That would accord with the patriotic enthusiasm evoked by the Army's achievements. It is well deserved. Of the discipline and bearing of the troops the highest praise can be given. As these words are being written Mukden is coated thinly with snow—the harbinger of far heavier falls to come and the bitterest cold with them. Some of the rosy-cheeked yeoman-like troops round Changchun are men of the Northern part of Japan and inured to the cold.

Cold and the Bandits

But even they will find the winter a test of their endurance, for all their fur coats and well-woven khaki. This weather factor may of course reduce the dimensions of the bandit menace. It was the bitter cold of the winter of 1929-30 which is held to have cleared up that trouble in Heilungkiang far more speedily than conditions otherwise warranted. Nevertheless the bandit scourge presents no small problem. It has been accentuated by the decisions taken on the night of September 18. Manchuria's reputation for outlawry is maintained by mounted bandits who take no little tackling. The assurance of some of these gangs is well shown by the action of the Chieftain who captured, stripped, robbed and released the four Europeans on rabbit-shooting bent near Mukden on November 15. He gave the victims a pass entitling them to shoot with immunity in any district other than his own. As he cynically put it they could make their own terms with the Chinese police in those permitted regions. However, the Japanese Army is confident that it can handle these bandits. It certainly has their whereabouts located with uncanny accuracy. The prospect of coming to grips with a marauding band is one of the means of breaking the solemnity of the Japanese officer's countenance. A suffusion of radiant delight lights up his face. He becomes animated and eager. The force of its own actions has insensibly led the Army into difficulties. It has been mixed up in the mustering of police, in the control of treasuries, in the cutting and diversion of railway lines and in many other affairs which normally are not germane to the education of a soldier. It is not surprising that at times the role is irksome or, at least, overacted. This direction of policy has resulted in making the Army by far the most dominant factor in Manchuria at the moment. There are Japanese consular officials, good men and

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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

Enclosure No. 4 to despatch No. 7905 of Edwin S. Cunningham,
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of November 25, 1931.

ning. He had two hundred men and Lao Pei-feng, 2,000. The two met. Lao Pei-feng had ideas on loyalty. They overcame the bandit in him. He took Lin Yin-cheng prisoner and sent him to the young Marshal's troops, after disarming the unhappy two hundred and disposing summarily of seventeen Japanese with them. Chang Hai-peng—his name is never mentioned in Japanese communiques—has so far proved more dependable. He has, it is true, been worsted by General Ma Chang-shen, but with his 12,000 men he has stuck faithfully behind the Japanese troops in their progress up the Nonni River line. Yet even he is believed to be unstable in his allegiance and has been known to declare that he is no free agent. General Hsi-hsia, the astute new Governor of Kirin is filling a puppet post and his recognition of the inevitable is stimulated by close Japanese surveillance. Indeed, when all is said, there must be tribute paid to the ingenuity and elusiveness of the Chinese in carrying on without open defiance of the new authority. The blow having fallen provocativeness now is unfashionable. Even the students at Changchun are believed to be uttering friendly sentiments towards the Japanese community there. The demonstration on November 15 for the greater comfort of the League of Nations was sincerely expressive of Japanese convictions. It aroused not the slightest outward resentment from the Chinese. A thousand of them even took part in it. *Toujours la politesse* was their motto, when the steel-helmets were to be descried in odd corners performing the simple mysteries of their wearer's calling. There spoke more than Chinese reluctance to face the hard facts of the strong man armed. It should not be interpreted as born of relief at the advent of an orderly regime. Nor would it be fair to ascribe it to sheer funk, to use a brutally frank term. It was more certainly based on the conviction that time is on the side of the old stager. Passive resistance will wear down the most energetic realist.

A Chinese Admission

But Chinese observers who can be persuaded in suitable surroundings to speak their minds go further than that. They may candidly admit—the accident is rare—that the Japanese have had provocation, that the Manchurian Government has been remiss in attention to the interests of the people, that the political vagaries of the Kuomintang have been embarrassing to those who would live at peace with foreigners, especially Japanese, but they will not admit the necessity of the recent drama or its present developments. They baldly assert that Japan has presumed on alleged treaty rights as much as the Chinese. They maintain that the plight of the farmer is as much due to the world-wide depression as to depreciated *feng piao*. They declare that all Chinese efforts to develop Manchuria have been balked consistently by the Japanese. They deplore the pitiful debacle of the Manchurian army, especially as it exposes the utter folly of the enormous expenditure on armaments. With an agile eye on foreign sympathy they see in Japan's policy a sinister attempt to make Manchuria as close a Japanese pro-

bandits, so runs the Chinese view, have patriot hearts. However much Mukden may regret the Young Marshal's preoccupations with Nanking there is no desire to break away from the Central Government. Taking the long view, the Chinese maintain that the process of unification must necessarily be slow, that Manchuria will remain, as always, an entity with its individuality inviolate. The Kuomintang will grow up and grow out of its youthful eccentricities. In proof of Manchuria's adherence to the national creed it is pointed out that, after two months, the Japanese have not been able to induce a single Chinese of standing to support unreservedly the idea of detachment. Manchuria may be jealous of its domestic independence. It may prefer to love the rest of China from a distance but it stands firm with China when influences from outside would come between it and the Central Government. So it is useless to hold out prospects of a more modest budget, of a better regulated administration—at present at all events. Manchurian Chinese regard the present turmoil, well-disguised though it now be by the cloak of firm discipline, as nothing but humiliation, personal and national. Realists may object that this is mere juggling with sentiment, but those who have, during the last few weeks in Manchuria, noted how pertinaciously the Chinese have avoided overt applause of the Japanese efforts to make things easy for an independent Manchuria, how shrewdly they have kept their eye on Nanking will wonder whether the realists have the monopoly of wisdom.

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A Shanghai Link

At Changchun the night school has been given over to Lieutenant-General Tamon—a friend, by the way, of General Chang Chun of Shanghai—for his staff. There is Lieutenant-General Honjo at Mukden in a palatial commercial building; there are many other Major-Generals. The operations against General Ma Chang-shen are demanding a force of all arms. The number and composition of the main body is, to use the words of the General Staff, "a military secret." Remembering that the whole of this area is under martial law, that the troops therefore are under service conditions, that allowances have to be made for casualties, whether in the field or by reason of sickness, over and above the normal wastage of peacetime conditions, and it will be readily understood why the demonstrators on Sunday, November 15, at Mukden called for reinforcements. The question, indeed, is whether by virtue of the "military secrecy" mentioned those reinforcements have not been supplied. The silent army is very silent on this point. In addition to the regular troops there are the railway guards—a picked body of men, very smart and soldierly in their black, with dark

any district other than his own. As he cynically put it they could make their own terms with the Chinese police in those permitted regions. However, the Japanese Army is confident that it can handle these bandits. It certainly has their whereabouts located with uncanny accuracy. The prospect of coming to grips with a marauding band is one of the means of breaking the solemnity of the Japanese officer's countenance. A suffusion of radiant delight lights up his face. He becomes animated and eager. The force of its own actions has insensibly led the Army into difficulties. It has been mixed up in the mustering of police, in the control of treasuries, in the cutting and diversion of railway lines and in many other affairs which normally are not germane to the education of a soldier. It is not surprising that at times the role is irksome or, at least, overacted. This direction of policy has resulted in making the Army by far the most dominant factor in Manchuria at the moment. There are Japanese consular officials, good men and suave. They could not be more courteous or anxious to be helpful. But they can hardly conceal their impotence. The strong silent army has them beaten at all turns. Officially the army is not at war. Yet it is through the Army that the chief information regarding the position has been daily vouchsafed to the public in Manchuria at all events. And the Army talks war quite openly. Its actions correspond. There is commandeering, forcible closure of Chinese utility enterprises—on the ground of efficiency and not at all because of broken treaty rights. General Ma's wide sleeves and his lieutenant's plus fours do not find their counterparts on the opposing side. There is the paraphernalia of war from Dairen up to Changchun, from Mukden down to Yingchou and, especially, from Taonan to Angangchi. The Army is right, seeing that the conduct of affairs is so confidently placed in its hands. There would be no sense in half-measures which only drag out struggles and expose a force to unnecessary risks. The risks are there all right. There are not only the bandits. It is by no means certain that the dispersed Mukden Army is entirely out of the running.

[The previous articles in this series appeared on November 21, 23, 24, 25, 26.]

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Enclosure No. 6 to despatch No. 7995 of Edwin S. Cunningham,
American Consul General at Shanghai, China, dated November
30, 1931, on the subject: "Japanese-Manchurian War,
September 18, 1931. Manchurian Medley.

Article from THE NORTH CHINA DAILY NEWS (British)
of November 26, 1931.

The Manchurian Medley—V.

FROM DAIREN TO HARBIN

The Impact of Russian Policy on Chinese Polity

GREAT KHINGAN'S SHADOWS

BY EDWIN HAWARD

Dairen is so little China that, for all its basic importance, it is hardly taken into account when considering the Medley to the north of it. A Japanese resident of Dairen was once heard to indicate his entire personal ignorance of the country up the line by the remark that he had never in all his life been out of Japan. So Dairen can be left alone as the very efficient receiving station which transmits Manchurian blessings to Japan. The magnificent planning of its docks, of its public buildings and its broad streets—for which the Russian founders must have due credit—indicates a determination to make the vestibule worthy of the theatre within. It prepares the traveller for the marvellous comfort and efficiency of the South Manchuria Railway, along the well-laid track of which the regularity of the proceedings of the trains, the expansiveness of the stations, their entire freedom from the bustle and noise of the pedlar-ridden platform of other systems impress upon the mind the fact that nothing has been neglected to make it a model railway. Neat as a pin: that is the inevitable thought as you go into a Japanese restaurant with its matted floors, its screened cupboard like rooms and its rejection of the irrelevant and the superfluous. Exactly the same feeling pervades the mind as you luxuriously sit in the observation car and watch the well-groomed brown fields, never too deadly flat and never broken too fiercely by mountains, unfolding their panorama from Dairen to Mukden and thence by Ssuningkai to Changchun. At Mukden, where is now the nerve centre of Japanese corrective action in Manchuria, the Japanese area is pleasantly suburban. An exception must be made in honour of the grandly simple memorial to Japan's heroes of the Russo-Japanese War, an emblem of intense meaning to all Japanese just now. The purely foreign settlement is as severely undistinguished as such utilitarian cantonments are anywhere. But Mukden proper—the walled City, the empty Imperial buildings and the vivid untidiness and lazy activity of the streets—strikes the imagination. It is no highly decorated parvenu but just the weather-beaten veteran who sleepily blinks out of its age-encrusted eye the message that, whatever may be Manchuria's destiny, Mukden will be the chief seat of wisdom and statecraft. To-day when the Japanese veil is over the place the message is perhaps a trifle dolefully rendered. It is there just the same.

Changchun's Drama

So, at Changchun where you come to the end of Japanese railway enterprise and start to sample Russian languor and comfort, you take the Japanese concession for granted with its dainty little bridge-adorned and belaked park and you wonder over the curious blend of Russian and Chinese squalor in the City itself. Derelict droskies have a new lease of a rackets life at Changchun. Their drivers display, set in outrageously

mon as to fail to excite note even in the local newspapers which are often hard up for news because the information that they do possess cannot be printed. Indeed, Harbin seems to be that detached observer for which Manchuria is looking. Yet its detachment does not make it impartial. For you get the impression that nothing would annoy Harbin so much as a job of work or an invitation to applaud efficiency. Some useful lessons can be learnt there nevertheless. The Russians may be divided into "white" and "red," but the former are losing their distinctive character. Some have definitely refused any longer to kick against the pricks and have become "red," or perhaps "radishes," to use the expressive term coined by a wit to denote a veneered conversion. Not that it is easy for a white Russian to change his political coat. If he has accomplishments which make him a desirable Soviet citizen, he may perhaps be able successfully to return to his own country or to remain in Harbin under Soviet protection, which is not worth much incidentally. But technically he has entered China "illegally." The Chinese police take pecuniary advantage of that fact. They know to a Harbin cent the extent to which they can skin him and yet keep him going. If the crash comes they can hand him over to the Russian Soviet authorities on the other side of the frontier and he is almost certain to find a speedy end to his sufferings there. If anyone is doubtful about the virtue of extraterritoriality he should come to Harbin. For not merely the "white" Russians but the "red," full-fledged citizens of the friendly, and unextralited, Soviet State stand in danger.

Russian Tragedies

Even now, from Harbin, there are in Mukden gaol two Soviet citizens arrested by the Chinese police but guilty of no offence and unable to get their release, despite frequent assurances given to the Russian authorities. As for the "whites," only a few months ago a barge on the Sungari was crammed with them in all degrees of unpleasant durance. They were being sent back to Russia where, of course death awaited them, merely because they were of the bourgeoisie. For three weeks the barge was kept at Harbin while the hapless prisoners pined and wallowed in misery and filth. At last by the intervention of outside sympathisers they were released—among them an aged priest manacled and leg-ironed. If ever a human crime shrieked to heaven it is the treatment of these hapless Russians, citizens of no city, nationals of no country and the prey of a corrupt police or cruel banditry alike. Such, however, is the remarkable adaptability and stoical virility of the white Russian community that, in spite of acute trade depression, they are managing slowly to improve their economic condition. As this develops they may perhaps acquire sufficient corporate influence to work out the salvation of their weaker members. It should in fairness be added that the policy of the Soviet seems to be less inhuman than it was. Where

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come to the end of Japanese railway enterprise and start to sample Russian languor and comfort, you take the Japanese concession for granted with its dainty little bridge-adorned and belaked park and you wonder over the curious blend of Russian and Chinese squalor in the City itself. Derelict droskies have a new lease of a racketty life at Changchun. Their drivers display, set in outrageously filthy but protective fur caps, faces which for villainy would surpass the wildest dreams of the most adventurous detective ever turned out of Scotland Yard and yet, for variety of low comedy humour, would turn a red-nosed music-hall comedian or a pantomime artist green with envy. Beside all this the roofless, untenanted and ruined Chinese barracks—witnesses of the happenings of September 18-19—seem stupidly discordant. Changchun is the frontier counterpart of Dairen. It can be left at that. So, skipping the ponderous hesitations of the Chinese Eastern Railway train as it pounds and halts and pounds and halts, without apparent rhyme or reason northwards to join the east to west track which links Vladivostok with Berlin, let the curtain go up in Harbin. Here there is no Japanese veil; but veils are to be found. At one moment they are thickly impenetrable; at another amazingly transparent. They are painted garishly, with due allegiance, perhaps, to the pigmentary riot which immodesty affects in place of the demure mystery of the boorka or yashmak elsewhere. Harbin—within living memory only a village with a solitary distillery—has gorgeous relics of its old Tsarist magnificence, distressing signs of the extreme poverty of a place which has outlasted a boom and is now shattered commercially as the result of the Russian-Chinese conflict of two years ago. The Japanese have their holdings in Harbin. But the Chinese control—and mismanage—it with Russians at their elbow. In the magnificently appanelled board-room of the Railway Headquarters Chinese and Russians sit in conclave and amity. Nothing matters in Harbin. "It is fate," says the Russian. And the Chinese good-tempered, equipped with a sense of humour, shrugs his shoulders. Villainy of every kind has a tolerant public here. The police are, as likely as not, ready to chastise virtue and wink at vice. Harbin is living on the edge of things. The old days when Russian champagne bills at the restaurant-like Railway Club ran into thousands of roubles—and gold at that—are gone. White Russians, a community of some 30,000, live in dire poverty. Russian officials emulate the spaciousness of the Tsarist officers but without a suitable setting for their efforts. Harbin, simply, has not got the money. So pawnshops are full of wondrous treasures about which the shopkeepers have, unhappily for the collector, exaggerated ideas. Food is cheap, yet beggars are plentiful. Russians smile and dawdle with destitution as the only alternative to death.

Bandits on the Prowl

Outside across the river some 10,000 bandits are ever on the alert. Their kidnapping feats are so com-

banditry alike. Such, however, is the remarkable adaptability and stoical virility of the white Russian community that, in spite of acute trade depression, they are managing slowly to improve their economic condition. As this develops they may perhaps acquire sufficient corporate influence to work out the salvation of their weaker members. It should in fairness be added that the policy of the Soviet seems to be less inhuman than it was. Where the white Russian recognises the futility of kicking against the pricks the way is being made easier for him. Soviet culture—or propaganda—is showing itself in attractive guise. Human nature is human nature; the young "white" cannot be expected to see the fun of glowering over past glories which cannot return. He or she wants to take life as it comes in as joyous a fashion as the times permit. Then too it is noticeable that the Soviet Government is making such economic headway in China here that political penetration is of secondary account. Already, with but a portion of their resources brought into play, the Soviet oil companies have delivered a staggering blow to the trade. In cotton goods, machinery, hardware and numerous other commodities Russia is trading successfully for the cheap market and much grain traffic is being diverted by rebates and other devices from the South Manchuria Railway.

Harbin Stands Aloof

Harbin therefore stands a little aloof from the present crisis, just as Mukden did in 1929. Harbin is intensely interested all the same for it senses the clash between Japanese and Russian. It sees China as a pawn in the game. It is sympathetic to China accordingly but the sympathy is not altogether wise in the forms which it takes for it encourages too much the very defects leading to the discomfiture of Chinese administration in the South. Actually Harbin feels it is once more on the eve of great events. The chief fighting of late has been within hail of it. General Ma Chang-shen is by way of being a local hero. His defeat is looked upon as inevitable but Harbin's love of the unconventional is tickled by the notion of this wide-sleeved, flowing-gowned little veteran challenging the grim seriousness of the Japanese Army. The fact that his brigade commander in the field conducts operations in plus fours and golfing shoes appeals specially to Harbin. But there still is apprehension lest defeat of General Ma should mean the visitation of fugitive soldiers in retreat. Harbin has quite enough banditry already. This all sounds as if Harbin were but an irreverent interloper in the Manchurian Medley. That is not true. Harbin is a kind of chorus—of the Sino-Russian, not the Greek type—just now. But it is sitting up and taking notice. Moreover it is likely as time goes on to be very much in the picture. This is the view of those wise men who snap their fingers at Angangchi and point meaningfully to the west where the Great Khingan Mountains tower.

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The Manchurian Medley—VII.

JAPAN'S REAL PROBLEM

NOV 28 1931

M. O. D. 21.

Puppets That Are Useless In The Long Run

A CLASSIC OBJECT LESSON

BY EDWIN HAWARD

What do these kaleidoscopic impressions contribute towards the formation of an opinion on the Manchurian Medley? This final article will endeavour to show. The main responsibility for the rotten state of Manchuria must rest on a corrupt administration. Marshal Chang Hsueh-liang inherited an evil system. He and his advisers between them have failed to do more than accelerate its pernicious influence on the welfare of the people. Whatever credit has to be given to them for endeavours to establish enterprises and provide public utilities is entirely shattered by the ghastly tale of official corruption, absentee dissipation of revenues, oppressive invisible taxation and crushingly useless expenditure on military dreams—scattered to the winds by one blast of a Japanese bugle. The Japanese declare that the Marshal will never come back. Count Uchida—a man of stern determination—is firm on the point. It must be confessed that resentful though the Chinese in Manchuria are against Japan, they do not waste much sympathy on the absent warlord. Some bluntly indict him in the strongest terms. Others acquit him personally of blame but agree that his return would not be in Manchuria's interests. It must not be forgotten that a country which has every hope of abounding prosperity, is rich with all the resources which Nature can give, has been grossly impoverished. Nor can it be denied that the Japanese, faced with the gradual and ever more rapid deterioration of a property in which they have sunk enormous capital of money and brains, were the victims of extreme provocation. The recklessness with which the Chinese seem to have devised every means for damaging Japanese interests seems amazing. At all turns the Japanese were given proof of this. Double duty was being levied to deflect trade from Dairen. Traffic was being diverted from the South Manchuria Railway. There seemed to be no end to Chinese ingenuity, in this respect.

A Bad Blunder

When all this is said it is impossible to ignore the fact that Japan blundered badly on September 18. Putting it more accurately she lacked the moral courage at once to stem the tide of military assumption of the right to direct policy. The actual effect of the declaration of war—no other term can be employed—was indeed disastrous in itself. It has caused a stampede from Manchuria. Even now thousands of Chinese are making their way back to their Shantung homes. They are thus disappearing at a time when Japan is already perturbed at the falling off in immigration. If it be accepted that the blowing up of the track was a Chinese crime—and no-one in Manchuria, apart from the Japanese, believes that it was—then the resultant military action was out of all proportion to the incident itself. Criticism of action taken under martial law should always be diffident. The armchair critic who objects that the fire brigade threw too many buckets of water on the burning house is rightly scorned. But there was no situation demanding emergent mili-

small degree, on the apparent ease with which a comparatively subordinate military commander committed his country to an active war-policy. Even now there is no sign in Manchuria, whatever Tokyo may be doing, that the political side of the Japanese administration has the slightest ascendancy over the military. In brief, Japan is reproducing on ordered lines the very militarism which is the main cause of reproach against the Chinese Government. Under martial law kid-glove methods are out of place. There will be no disposition therefore unduly to criticise the Japanese military commanders on that score. Indeed, it must be recognised that they deserve considerable credit for maintaining a machine which keeps discipline well to the fore. By their very assumption of leadership without proper civilian guidance they have, however, landed themselves in serious difficulties. They are sincerely trying to conciliate the Chinese population. They do not see that you cannot hold a man by the throat and make him love you at the same time. They have failed to provide themselves with that useful buffer which, in other countries, the existence of a capable political service gives. Moreover, military education, excellent as it is in Japan and productive as it is of men of remarkable ability, does not there, any more than in other countries, give the necessary insight into financial and other civil administrative problems for the solution of which the Japanese military commanders have to depend on their own intelligence with the possible assistance of hastily summoned civil advisers of comparatively little authority.

There is War To-day

So it must not be a matter for surprise that in Manchuria there is war to-day. The army, having assumed responsibility, can work on no other lines. It is impossible to believe that reinforcements on a substantial scale have not been absorbed already. The scale of the military problem renders such action inevitable. The failure of the Government at Tokyo to put an effective check on the army at the start is no doubt due to internal political difficulties. On that the army authorities may have based their action. They have thereby added to their own difficulties. The civil government were, it is understood, preparing a very full statement regarding the failure of China to respect treaty rights and to perform accepted obligations. Properly presented to the appropriate quarter and in the appropriate way, it is conceivable that a document of that kind would have put Japan in an unassailable position. The suggestion that immediate action without notice was essential to avoid operations of magnitude cannot be accepted in the light of the known state of Chinese military affairs. Moreover, the action now taken in lightning dispersal, of Chinese regulars, has in the very circumstances of its inception presented the Japanese with the burden of a campaign the end of which cannot be foreseen.

Coming to Light

For Japan's real problem in Manchuria is now coming to light.

developing the South Manchuria Railway and its ancillary enterprises. In other words, Japan must continue to rely on Chinese immigration and Chinese goodwill for the development of her property. It is true that, as an anonymous proclamation appearing at Taonan the other day showed, there is a distinct feeling that the Japanese army is working to make Manchuria a peaceful home for all—Chinese, Koreans, Japanese alike. It is also true that the Japanese, in their tentative direction of civil government, have shown how Manchuria's budget can be reduced to modest proportions by the elimination of a colossal and futile military expenditure. Their interference with the Salt Gabelle has its grave issues and is open to serious objection. It has, however, resulted in the Central Government obtaining a larger monthly remittance for the service of the foreign loan than was received before and the money retained in Manchuria will, it is said, be applied to beneficent purposes instead of military aggrandisement. There remains, however, that sense of national prestige. It might not have mattered thirty years ago. It matters much to-day. It stands in the way of the Japanese being able—at an early date at all events—to shift the burden of civil government to independent Chinese shoulders. They have set up puppet makeshifts. They know that they are puppets and makeshifts and therefore useless in the long run. Even in Mukden where Mr. Yuan Chin-kai and his seven colleagues are functioning the element of makeshift is predominant.

Ambiguous

The proclamation of the new administration of Liaoning on November 15 was announced by Yuan Chin-kai in a characteristically ambiguous speech, the intention of which was not in doubt. He was prepared as a patriotic Chinese to assume leadership in the void of present conditions in order to help the preservation of a semblance of stability. He took for his authority no independent basis—merely the overlordship of the Japanese army. He clearly looked to the time when he could be relieved of his post by the establishment of a government recognised by Nanking. Japan may cherish the idea of setting up an independent Manchuria. It cannot be done unless she has the support of the men of standing among the Chinese. She knows that and as the days go by she must perceive how difficult is the task. No-one sees more clearly than the Chinese the manifest limitations of the Central Government. There is much resentment against the Young Marshal on the ground that he has sacrificed Manchuria's interests for the sake of the *beaux yeux* of General Chiang Kai-shek. But that does not mean that the long-established traditions which have linked Manchuria—loosely and negligently perhaps—with China can be flouted with impunity. The Japanese have therefore to re-establish cordial relations with the Chinese. At the moment the transactions with Chinese business men, such officials as are still running Chinese Government affairs are carried out as between an armed and an unarmed man. That cannot continue—to the discovery of a workable solution. Political guidance must take control of Japanese policy in Manchuria at an early date. This is even the more necessary if, as some allege, the Japanese move is merely the prelude to a consolidation of a position in defence against possible aggression from Soviet Russia. The danger of a clash on the Chinese Eastern Railway makes for anxiety but it is believed that Russia is not inclined to do more than watch. To begin with, she is absorbed with her scheme of economic penetration in working out her Five Year Plan. If that succeeds—and the portents are not unfavourable in Northern Manchuria—such advantages may follow.

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on no other lines. It is impossible to believe that reinforcements on a substantial scale have not been absorbed already. The scale of the military problem renders such action inevitable. The failure of the Government at Tokyo to put an effective check on the army at the start is no doubt due to internal political difficulties. On that the army authorities may have based their action. They have thereby added to their own difficulties. The civil government were, it is understood, preparing a very full statement regarding the failure of China to respect treaty rights and to perform accepted obligations. Properly presented to the appropriate quarter and in the appropriate way, it is conceivable that a document of that kind would have put Japan in an unassailable position. The suggestion that immediate action without notice was essential to avoid operations of magnitude cannot be accepted in the light of the known state of Chinese military affairs. Moreover, the action now taken in lightning dispersal, of Chinese regulars, has in the very circumstances of its inception presented the Japanese with the burden of a campaign the end of which cannot be foreseen.

Coming to Light

For Japan's real problem in Manchuria is now coming to light. Granted that the Manchurian farmer may be glad of the prospect of an ordered government and a possible early release from the bandit nightmare, it is quite impossible for Japan to take upon her shoulders the whole and permanent responsibility for the administration. The cost would be prohibitive even if she had the desire and that desire she has persistently disclaimed. Moreover, the Japanese are not colonists as the Chinese are. They are home-loving people and that makes the visitor to Manchuria all the more admiring of the pluck and patriotic endurance of the little handful of Japanese civilians who hold the fort for their country in

more clearly than the Chinese the manifest limitations of the Central Government. There is much resentment against the Young Marshal on the ground that he has sacrificed Manchuria's interests for the sake of the *beaux yeux* of General Chiang Kai-shek. But that does not mean that the long-established traditions which have linked Manchuria—loosely and negligently perhaps—with China can be flouted with impunity. The Japanese have therefore to re-establish cordial relations with the Chinese. At the moment the transactions with Chinese business men, such officials as are still running Chinese Government affairs are carried out as between an armed and an unarmed man. That cannot continue—to the discovery of a workable solution. Political guidance must take control of Japanese policy in Manchuria at an early date. This is even the more necessary if, as some allege, the Japanese move is merely the prelude to a consolidation of a position in defence against possible aggression from Soviet Russia. The danger of a clash on the Chinese Eastern Railway makes for anxiety but it is believed that Russia is not inclined to do more than watch. To begin with, she is absorbed with her scheme of economic penetration in working out her Five Year Plan. If that succeeds—and the portents are not unfavourable in Northern Manchuria—political advantages may follow. And there are internal difficulties which also make Russia inclined to a passive policy.

Fears for Japan

It is impossible to regard the present position in Manchuria without fearing for Japan. Her military are in need of sane guidance. They have already assumed burdens which they are unequal to bear. They are providing a classic object lesson of the impracticability of allowing a military clique to interpret rather than to be the instrument of policy. Japan's fundamental principles for the settlement are simple: mutual repudiation of aggression, respect for China's territorial integrity,

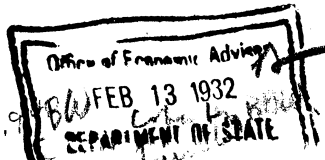
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

NO. 7994

AM 1 00

AMERICAN CONSULATE GENERAL,

Shanghai, China, November 30, 1931.



DEC 19 31

SUBJECT: Alleged Seizure of Salt Revenue in
Manchuria.

THE HONORABLE
THE SECRETARY OF STATE,

WASHINGTON, Department of State

SIR:

In compliance with the Legation's instruction contained in its telegram to this Consulate General of November 23, 1 p.m., I have the honor to transmit herewith five mimeographed copies of a communication dated November 9, 1931, from Dr. F. A. Cleveland, Associate Chief Inspector of the Chinese Government Salt Revenue Department, to the Minister of Finance, regarding the seizure by the Japanese of salt revenue in Manchuria. A copy was forwarded to the Legation under cover of the Salt Revenue Department's letter No. 777 of November 17, 1931, and the Legation instructed this office to obtain additional copies and forward them direct to the Department.

Respectfully yours,

Edwin S. Cunningham
Edwin S. Cunningham,
American Consul General.

Enclosure:

1003
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

-2-

Enclosure:

1/- Mimeographed copy of letter from
Associate Chief Inspector of Salt
Revenue Department to Minister of
Finance dated November 9, 1931.

885/851
PRJ:NLH

In quintuplicate
Copy to Legation

C...O...P...Y

November 9th, 1931.

His Excellency Mr. T. V. Soong,
Minister of Finance,
Nanking.

Your Excellency,

A telegram was received at 5:30 p.m. to-day from our Special Deputy at Newchwang that a despatch from Changchun announces further military withdrawal of funds. The despatch further states that as an emergency measure our Special Deputy has instructed our District Inspectors to suspend issue of release permits on credit. This action doubtless will at once raise the issue as to whether our Inspectorate Officers at Newchwang will be permitted to control the issue of salt to Kihei; and whether they will be permitted to continue the collection of revenue in the Fengtien free-trade area.

Yesterday's North China Daily News reported that charges against Japanese military authorities in Manchuria alleging confiscation of salt revenues are emphatically denied by the Kwantung Garrison Commander. General S. Honjo is reported to have said "The Chinese Financial Bureau at Mukden has received all salt revenues collected at Newchwang and other points and the Japanese authorities have in no way interfered with the disposition of funds." In view of this denial and the reported statements in this morning's North China Daily News to the effect that all transactions have been between Chinese Government officials and not with Japanese military, I beg to recall the concrete facts connected

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with the taking possession of the office at Newchwang, the expropriation of cash on deposit to the credit of the Salt Revenue Account at the Bank of China, Newchwang, and the expropriation of cash on deposit at the Bank of China and the Bank of Communications, Changchun. In my opinion a statement of concrete facts and not general conclusions or charges is what is required to clear the air. The statements of concrete facts which can be supported by evidence to which I refer are the following:

1. The concrete facts which support the conclusion that the Japanese military forcibly entered the office of the Chinese National Government, Ministry of Finance, Inspectorate of Salt Revenue as related to us by our representative sent there to report are as follows:

"On September 19 Japanese military in Manchuria forcibly entered the district office at Newchwang with twenty armed soldiers, covered officers of the Inspectorate and the personnel with rifles, told them not to move, took away three rifles used by office guards, after visiting all departments posted armed guards at the gate, took possession of accounts, placed their own accountant in the office, took possession of banks acting as fiscal agents of the Inspectorate."

The foregoing incident occurred early in the morning following the night of the 18th during which the Japanese occupied Mukden. This was long before any so-called Peace and Order Associations were organized. The further concrete facts connected with the impairment of revenue functions of the National Government by Japanese military in Manchuria long before any Peace and Order Associations were organized are these: (1) That the Japanese

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- 3 -

military at Newchwang as soon as they had gained the information desired from our accounts in the manner described above went to the Bank of China where our account was kept, confirmed the balance, and served notice that no funds could be removed without the consent of the military officer-in-command; (2) that the Salt Revenue Office of the National Government of China was kept under continued surveillance and check by the Japanese military in occupation; (3) that the military officer-in-command refused to permit the Bank of China to honor cheques drawn in favor of the Inspectorate of Salt Revenue by the Kihei Monopoly for salt released on credit--the amount being \$1,080,000; (4) that notwithstanding repeated requests to the Japanese military in occupation to raise the embargo laid against funds of the Salt Inspectorate, these requests were refused until large sums of salt revenue had accumulated in the banks which were under Japanese military surveillance; and that then by military force these sums were expropriated.

2. With respect to the expropriation of salt revenue at Newchwang on October 30 the concrete facts related to us by our representatives are:

"At 11 a.m. today Paymaster Iwase of Japanese military headquarters, Adviser Yamada Shigeji of Provincial Government Bank and Provincial Finance Bureau (newly established) and staff officers of Provincial Government with armed men came to this Bank, first inspected salt accounts and then demanded handing over salt revenue collections. I pointed out to them that according to letter from Fengtien District Inspectors no salt revenue funds can be withdrawn without cheque signed by them, and

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- 4 -

that according to usual bank procedure funds can be paid only on production of cheques. I therefore asked them to obtain a cheque from District Inspectors if they wanted any money. They replied however that salt revenue funds must be handed over today with or without District Inspectors consent; that they would hold themselves responsible if District Inspectors should put any blame on me; and that refusal to hand over would be considered as wilful resistance. Their attitude was very overbearing and all that I said was of no avail. Finally at 4 p.m. the sum of \$672,709.56 was taken away. It was only after repeated negotiations that a Provincial Finance Bureaus sealed receipt signed by Yamada Shigeji was obtained. Under such circumstances we could do nothing."

and

"Party demanding funds 30th October three foreign (Japanese) nationality including one (in) uniform later joined by three Chinese from Provincial Bank stop Bank of China Manager affirms (that) upon requiring cheque (he was) told none necessary under previous procedure semicolon after resisting five hours threatened with military force whereupon issued draft for 350,000 dollars his bank Mukden screening Liaoning Finance Commissioner comma cheque to bearer 200,000 silver yen Yokohama Specie Bank Ltd Newchwang comma balance notes Yokohama Specie Bank Ltd Stop"

3. The concrete facts which support the conclusion that salt revenue funds were expropriated at Changchun on November 6 and that the revenue functions of the National / Government

- 5 -

Government have been interfered with by the Japanese military as retailed to us are as follows:

"Today all funds Bank of China Bank of Communications Changchun forcibly removed to Bank of Three Eastern Provinces Changchun by Transportation Officer sole signature circularizing (on basis of circular) authorized by local foreign (Japanese) military stop We have protested in vain stop Transportation Officer formally notified us today cannot recognize Auditorate stop Report follows."

The foregoing summaries of data sent to the Chief Inspectors I am transmitting to Your Excellency so that in case concreteness is desired in further communication, a digest of testimony of salt revenue officers as confirmed by bankers as our fiscal agents will be before you.

I have the honour to be,

Your Excellency's obedient servant,

(Signed) F. A. Cleveland

Associate Chief Inspector.

C O P Y

Alfred Sze

Sino-Legate Geneva

Reference Japanese denials interference salt revenue
communicate following Secretary General for circulation
Cleveland submits following digest concrete facts re-
ported by revenue officers and banks colon paragraph
one showing forcible entry colon September 19 Japanese
military forcibly entered District Office Newchwang with
twenty armed soldiers covered inspectorate officers and
the personnel with rifles told them not move took three
rifles from office guards and after visiting all Depart-
ments posted armed guards at the gate took possession of
accounts placed their own accountant in the office took
possession of banks acting as fiscal agents of inspectorate
paragraph two showing continued interference by Japanese
military since September 19 colon dictating conditions
governing action of revenue officers semicolon surveillance
by agents with military guard semicolon obtaining informa-
tion concerning daily collections and deposits semicolon
enjoining non-transfer of funds semicolon interdicting
payment of cheque 1,080,000 dollars drawn by salt monopoly
on Changchun depository favour of inspectorate in payment
of revenue on salt obtained on credit semicolon repeated
refusal request of revenue officers to raise embargo on
remittance of revenue to national government semicolon
forced accumulation of deposit six weeks salt revenue in
banks amounting to above three million dollars before
expropriation began paragraph three showing seizure of funds
by Japanese military Newchwang colon October 30 fiscal
agent reported quote at 11 a.m. today paymaster Iwase of
Japanese military headquarter comma Adviser Yamada Shigeji
of provincial government bank and provincial finance bureau
/ (newly established)

- 2 -

(newly established) and staff officers of provincial government with armed men came to this bank comma first inspected salt accounts and then demanded handing over salt revenue collections stop I pointed out to them that according to letter from Fengtien District Inspectors no salt revenue funds can be withdrawn without cheque signed by them comma and that according to usual bank procedure funds can be paid only on production of cheques stop I therefore asked them to obtain a cheque from District Inspectors if they wanted any money stop They replied however that salt revenue funds must be handed over today with or without District Inspectors' consent semicolon that they would hold themselves responsible if District Inspectors should put any blame on me semicolon and that refusal to hand over would be considered as wilful resistance stop Their attitude was very overbearing and all that I said was of no avail stop Finally at 4 p.m. the sum of 672,709.56 dollars was taken away stop It was only after repeated negotiations that a provincial finance bureau's sealed receipt signed by Yamada Shigeji was obtained stop Under such circumstances we could do nothing unquote paragraph four showing revenue officers confirmation quote party demanding funds 30th. October three foreign nationality including one in uniform later joined by three Chinese from provincial bank stop Bank of China Manager affirms upon requiring cheque told none necessary under previous procedure semicolon after resisting five hours threatened with military force whereupon issued draft for 350,000 dollars his bank Mukden Liaoning Finance Commissioner comma cheque to bearer 200,000 silver yen Yokohama Specie Bank Ltd. Newchwang comma balance notes Yokohama Specie Bank Ltd. unquote paragraph five showing seizure of funds by Japanese military Changchun / November 6

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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

- 3 -

November 6 following message from salt officers confirmed by fiscal agent quote today all funds Bank of China Bank of Communications Changchun forcibly removed presence of military to Bank of Three Eastern Provinces Changchun by transportation Officer sole signature on basis of circular authorized by local foreign military stop We have protested in vain unquote Paragraph Cleveland reports telegram received November 9 from Special Deputy further expropriation 720,000 dollars Changchun paragraph photostatic copy of receipt by Japanese Officers for money taken Newchwang being furnished to legations and sent by mail stop

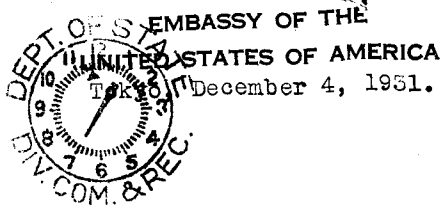
T.V. Soong

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75



No. 405.

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The Honorable
The Secretary of State,
Washington.

Sir:

I have the honor to transmit herewith, as of possible interest to the Department in relation to the

1/. Manchurian situation, a copy of the "Manchurian Affair" Supplement of the OSAKA MAINICHI, English Edition, of November 20, 1931. The parent publication, the OSAKA MAINICHI, is one of Japan's two most powerful and influential newspapers, and the English edition usually reflects the views of the vernacular edition.

2/. There is also enclosed a "Summary of Political and Economic

DEC 22 1931

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DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

-2-

Economic Relations Between Japan and China" presented to
the Embassy by the publisher, the Osaka Chamber of Commerce
and Industry.

Respectfully yours,

For the Ambassador


Edwin L. Neville
Counselor of Embassy.

✓
Enclosures:

Copy of "Manchurian Affair" Supplement,
"Osaka Mainichi".

Summary of Political and Economic Relations Between
Japan and China.

Embassy's File No. 800-Manchuria.

WTT/SR

Japan in Manchuria

Imperial Troops by Their Prompt Action Forestall Ravages By Soldier-Bandits; Nippon Determined to Protect Her Rights at All Costs

At the Helm



Baron Kijuro Shidehara
Foreign Minister



Baron Reijiro Wakatsuki
Premier



General Jiro Minami
War Minister

Causes of Manchurian Affair in Nutshell: Short, Concise Survey of Situation That Forced Japan to Self Protective Action

Late on the night of September 18, 1931, a number of soldiers under the command of Major-General Wang L-tai of the First Division of the Northeastern Army, generally regarded as the pick of the troops under Chang Hsueh-liang, attempted to destroy the track of the South Manchuria Railway a few miles north of Mukden. The Imperial Railway Guards were then compelled to take forcible action to stop the outrage, ending in the sweeping out of all the undesirable, disturbing and rowdy soldier-bandits from Mukden and its adjoining territory along the S.M.R. lines. This constitutes what is called the Manchurian affair.

Because of the rapidity with which the Imperial troops carried out these self protective measures, some of the Powers seem to regard the action of the Japanese with suspicion as if exceeding that of self-protection. The real nature of whole affair is not so simple as it might appear to others.

The Immediate Cause

The Chinese officials and civilians of late were united in their efforts to carry on an anti-Japanese campaign. They incited mobs at all possible opportunities with the apparent intention of trampling upon the rights that Japan possessed in Manchuria and Mongolia. Their attitude was one of provocative challenge.

It became a commonplace event for Chinese regular troops to try to pick quarrels with the Japanese soldiers guarding the Manchuria Railway lines, while mounted bandits attacked the region along the S.M.R. lines with an alarming frequency. The Chinese officials as well as soldiers were either powerless to cope with the mounted bandits or connived at their marauding. Then occurred the murder of Major Nakamura and his party by the Chinese regulars in a Mongolian town.

The ceaseless exclusion activities by Chinese against Chosenese farmers in the interior of North Manchuria eventually provoked the large scale anti-Japanese movement now known as the Wanpaoshan case where a large number of Chosenese were ruthlessly driven out of their legitimate land holdings.

The feeling between the Japanese and Chinese nationals was brought to the white heat of hate and suspicion; there was reason to fear that the situation might burst out in fiery indignation on the part of the Japanese. The immediate and direct cause of the Manchurian affair was the deliberate destruction of the S.M.R. tracks by the regular Chinese soldiers, but it would be correct to state that the smoldering anger of the Japanese due to the Chinese arrogance leaped into flame at the challenge of the Chinese. That the responsibility for the whole affair rests with China should be plain.

Distant Causes

The actual nature of the whole Manchuria affair will not be clear to any one unless he is well informed as to the illegal actions by the Chinese which may be said to constitute the distance cause. The situation in Manchuria, as has been elsewhere emphasized, is vital to Japan's national existence. Japan holds there special rights and privileges obtained after two wars in which she staked everything and she must see that order and peace are maintained there at all costs.

China has not only deliberately ignored the international treaties, but has been attempting to render them scraps of paper. China has disregarded Japan's rights and has been assuming an uncompromising attitude in carrying on an insulting anti-Japanese campaign. To mention some of the most prominent issues started by the Chinese:

1. The campaign for the restoration of Ryojun and Dairen.
2. The denial of Japan's right to station troops in Manchuria and North China.
3. The so-called railway question.
4. The question of the Japanese right to lease land.
5. The question of Chosenese in Manchuria.

Against Railway Rights

What has excited the strongest antagonism on the part of the Japanese against China is the Chinese attempt to strangle the S.M.R.'s business by laying rival roads parallel to the S.M.R. lines, in open violation of the Sino-Japanese treaties.

There have also been the Chientao agreement in which the Japanese right to invest in the proposed Kirin-Kainei line was formally recognized, the revision of the agreement in which Japan gave the sum of \$10,000,000 to China as a preparatory expenditure, and the formal agreement concluded between Maximal Chang Tso-lin

and Mr. Jotaro Yamamoto, then the Governor of the S.M.R.; all these steps were taken in order to lay the Kirin-Kainei Railway line . . . but the work has never been begun.

Meanwhile China has been active in planning rival lines to the S.M.R. on an elaborate scale to force the S.M.R. out of business. This is popularly known in Japan as the Chinese scheme of surrounding the S.M.R. With Taku as the starting point, China built a branch of the Peiping-Mukden line; the branch line goes from Taku to Tungling via Sinlitan and Changou, in entire disregard of Japan's interests.

Japan lodged a vigorous protest against the line, but China, as usual, ignored the protest and completed the line. The branch connected with the Taonan-Angangchi road, thus making a perfect competing system against the S.M.R. line on the west side.

China also has built the Mukden-Hailung line and extending further to Kirin from Hailung, presented another rival line on the east side of the S.M.R. By these two rival lines China planned to sandwich the S.M.R. line between the east and west rival lines and bring strong pressure on Japan's economic interests. All these railways were constructed by China in absolute disregard of Japan's rights or Japan's protests.

Right to Lease Land

Japanese nationals have the right to lease the land necessary for the pursuit of legitimate business in South Manchuria where they may build houses or begin farming enterprises. China, however, on one pretext or another, has never consented to adhere to the stipulation (in Article 2 of the treaty regarding South Manchuria and Eastern Mongolia) covering this. This was the basic plan on the part of China to prevent the Japanese from acquiring an economic foothold in Manchuria.

There are about 1,000,000 Chosenese in Manchuria, the majority of whom are engaged in agriculture. They have been hard at their pioneer work, suffering from the never-ending extortion of the Chinese officials and from the overbearing arrogance of the landowners. Many of them have been deprived of even their legitimate livelihood because of these combined attacks by the Chinese. Fearing the permanent extension of the economic power of the Chosenese, the Chinese have taken advantage of the fact that these Chosenese live mostly in remote parts of the interior and have been making continual efforts to drive them out either by illegal arrests or by forcible expulsion. These Chosenese may rightly be described as wandering along the life and death line.

300 Issues Unsettled

In addition to these problems already mentioned, there are nearly 300 problems awaiting solution, or rather legitimate action on the part of the Chinese. In all these problems, the Imperial Government has never failed to urge the Chinese authorities, both local and central, to speed up their solution, but the Chinese have been delaying this solution apparently on purpose; in fact, the Chinese seem more anxious to find excuses for not solving them than otherwise.

China's sole efforts centre on the thought of how Japan may be driven out of Manchuria. China never hesitates to resort to any means of questionable character to that end. She has ignored treaties and disregarded international faith in her attempts to succeed. These Chinese actions have unavoidably widened the gap between the two countries in their friendly relations, have created suspicion on both sides, nurtured hatred, and brought about a tense situation, fraught with imminent danger.

The garrison of the Imperial troops stationed in the Leased Territory of Kwantung facing this critical situation, took aggressive action for the purpose of eradicating the disturbing elements. This cannot be other than purely an action of self-protection. Else what is it? It is not difficult to imagine when the Chinese soldiers on the strength of the enormity of their number, might have done—the Chinese soldiers who have been thus maintaining an attitude of provocative challenge to the Japanese—situated as they were in an atmosphere where the enmity of both nations had become white hot, had they found that the Imperial troops would remain passive. The mere thought of it would make even the most unimaginative shudder.

The Imperial troops, outnumbered to the extent of one to 20, had to operate with lightning speed, occupy all strategic points, drive these elements from their base of operations and afford them no chance to rally. This is the reason that the Imperial troops cleared Mukden and its vicinity of all Chinese troops in a single night; the subsequent operations against the Chinese are simply a natural sequence of this principle in action.

What Is China?

Editorial, Oct. 14, 1931, Appearing in the Osaka Mainichi & Tokyo Nichi Nichi, English Edition

A time there was in America when the press and politicians were wont to call China a "Sister Republic in Orient" and the people did not think it absurd. This was the time when the world's illusion about China was at its climax. Of course, even then sane critics like the late Lord Bryce and Mr. J. O. P. Bland laughed at regarding China as a "Republic" in the sense the United States is a Republic.

Subsequent growth of interest in affairs of the Orient gradually led Americans and Europeans to view China in a more realistic light. A greater number of Americans had the chance of personally visiting their "Sister Republic," the hotbed of epidemics, beggars, thieves, and bandits. The "Sister Republic" dropped the word "Sister"; only the Chinese now make the liberal use of it in their propaganda in America: they cry out, "Can you afford to permit your 'Sister Republic' to be raped by the monstrous Japan?"

Fortunately most of the American people have ceased to be aroused by such hackneyed sensationalism—they have seen the true picture of China. They have realized that there are republics and republics; and that these can differ as heaven differs from earth. As far as the American people are concerned it would be futile for the Chinese to attempt to present their country otherwise than what it is—a disorderly conglomeration of huge masses of discontented human beings covering a vast undeveloped territory.

For one reason or another the Europeans look behind the Americans in their knowledge of China. This is evident even from the attitude of the League's Council toward the present Sino-Japanese friction. The Council is apparently being influenced by the Chinese statements and representations. Before taking these grandiloquent persuasions at their face value, has the Council stopped to question: What is China?—what authority has these statements back of them?

There is a hint that the League's authorities are taking but a telescopic view of the real China and are confusing it with their preconception of a State derived from their contact with the advanced governments of Europe. Indeed, the Chinese delegate repeatedly mentions "My Government" as if he was a government in the established sense of the term. But what is the Chinese Government—is there one to be so called?

There are in China as many "governments" as there are ambitious generals and warlords. These squat on different territories and with their cliques "govern" their own spheres of influence. Some warlords are richer and more powerful than others and these naturally retain a larger number of troops and hold more extensive territory under their control. General Chiang Kai-shek, General Chang Hsueh-liang, General Yen Hsi-shan, and General Feng Yu-shiang are among the more powerful of the warlords.

Not only are there numerous "governments" in China, but these keep on constantly contesting for dominance. The League of Nations apparently regards the Nanking Faction with confidence and deals with it as if it were a responsible government. It does not realize that in so doing it is but dealing with a clique of headstrong young men to whom the real meaning of a government is unknown. Due to courtesy and convenience Japan has given it a recognition, but with full conscience does not, as the League seems to do, take its empty pledges and declarations at face value. Distance often removes an object's ugly realities.

The idea of sending a commission to China is a plausible one, provided that its object is to investigate the nature of the so-called "Chinese Government" and to see if it has any sense of responsibility—if it can be trusted as the governments of other nations can be trusted. The study of this basic principle, in our opinion, must be the starting point of the League's meddling with Far Eastern affairs.

THE EVIDENCE—The Patience With Which the Officers And Men of the Imperial Railway Guards Along the South Manchuria Railway Stood the Constant Pin-Pricking Provocation of the Chinese Regulars Finally Emboldened This Armed Horde on the Night of September 18, 1931, to Destroy the Track of the S.M.R. at a Point a Few Miles North of Mukden. Shown in the Picture Are Pieces of Broken Rails And Ties Gathered From the Destroyed Section With the Gun And Caps Left on the Spot by the Chinese Soldiers.



Japan Has Made Manchuria Oasis Of Peace in Lawless China; Will Keep it So

Japan does not want her borderland disturbed, nor will Japan tolerate a permanent coercive situation close by. This, in short, is the primary and only motive that has prompted Japan to turn her attention to Manchuria. When China planned aggressive measures in Chosen, Japan was forced to take up arms against her. The Sino-Japanese War was thus provoked by China.

The war ended in a great victory for Japan, but she was compelled to give up the fruit of the victory, the Liaotung Peninsula which she had obtained from China, because of the intervention by three Powers, Russia, France, and Germany. Japan, as a result, acquired practically no rights in Manchuria.

The ringleader of the intervention, Russia, soon after forcing Japan to return the Liaotung Peninsula to China, began laying the Chinese Eastern Railway, connecting Ryojun (Port Arthur) and Dairen, and leased the territory of Kwantung that embraces these two key points. Further, Russia built at Ryojun fortresses on a gigantic scale and trained the guns at the heart of Japan. Manchuria, like the Maritime Province, was apparently destined to be swallowed by Tsarist Russia.

Russia, in the meantime, extended her greedy claws to Chosen. Japan fought China in order to maintain in Chosen the peace that is vital to Japan's interests. Japan was again forced to rise against the aggressive encroachment of Russia. Then followed the Russo-Japanese War.

China at that time expected the defeat of Japan, and had entered into a secret defensive and offensive alliance with Russia. Japan knew nothing of this. The war, contrary to the belief of China, ended in Japan's victory. The majority of the rights possessed by Russia in South Manchuria consequently were turned over to Japan and this has helped China to preserve the integrity of her territory.

The risks faced and the sacrifices made by Japan for the purpose of perpetuating peace in the Far East were not visibly appreciated by China. The Sino-Japanese relations thereafter were not always smooth. Tsarist Russia fell, but the situation was not improved. Manchuria was subjected to constant disturbances. The territory had, in fact, innate elements detrimental to permanent tranquillity in this part of the world.

Conditions Vastly Changed

Within the extent of the concessional rights obtained from both Russia and China, Japan steadily carried out economic and cultural measures and invested well nigh \$16,000,000,000, changing the conditions in the land to a marked degree. Where Japan's influence has been felt, the life in the territory has become orderly and peaceful; commerce and industry have become thriving. Fully 1,200,000 Japanese live in Manchuria and Mongolia, carrying on legitimate business that is contributing much toward the further improvement of the conditions in Manchuria all round. Manchuria today has become the only oasis of peace and order in the wide, bandit-infested, civil war-ridden China.

The situation in Manchuria and Mongolia has a vital bearing on Japan's national existence. When every pacific and legitimate means of persuasion to make China observe the sanctity of international treaties has not only failed, but when every such courteous attempt to this end is flouted with arrogance, is answered with insulting violation of treaties, and what rights Japan holds are about to be trampled upon, the limit of patience is reached.

No self respecting nation will see her rights and privileges deliberately ignored, her nationals subjected to all sorts of torment by lawless elements, their lives and property exposed to constant danger. There is a point beyond which endurance cannot go. Japan has reached the final limit in dealing with China. The limit has been passed. There is no other way left for Japan but to take self protective measures, and Japan does not intend to stop halfway in carrying these measures out.

These Are Rights Guaranteed by China in Treaties But Deliberately Violated by Her

Knowledge of Their History And Nature Is Paramount Requisite to Understanding of Manchurian Situation

Japanese Rights the Fruit of Noble Sacrifices

The special interests of Japan in Manchuria are no other than the results of Nippon's sacrifice of 100,000 lives and hundreds of millions of yen. These rights must then be called the precious fruit of Japanese blood and sweat.

Furthermore, these rights are all legitimate ones, firmly protected by several treaties and agreements. Japan is entitled openly to claim them internationally, in accordance with the clear and distinct clauses of these pacts.

Following are the treaties and contracts which endorse the legitimacy of the vital Japanese interests in Manchuria:

1. The Russo-Japanese Treaty of Peace, and its Supplementary Agreement, signed in Portsmouth, 1905.
2. The Sino-Japanese Treaty Regarding Manchuria, and its Supplementary Agreement, signed in Peking in 1905.
3. The Sino-Japanese Agreement Regarding Manchurian Questions, signed in Peking in 1909.
4. The Sino-Japanese Agreement on the China-Korean Boundary, signed in Peking, 1909.
5. The Sino-Japanese Treaty Respecting South Manchuria And Eastern Inner Mongolia, signed in Peking, 1915.
6. The various Sino-Japanese agreements and contracts regarding the railways in Manchuria and Mongolia:
 - a) The Preliminary Loan Contract for the Kirin-Kaipei Railway, signed in 1918.
 - b) The Revision of the Loan Contract for the Kirin-Changchun Railway, signed in 1917.
 - c) The Exchange of Notes Regarding Five Railways in Manchuria and Mongolia, signed in 1913.
 - d) The Memorandum on Four Railways in Manchuria and Mongolia, and the Preliminary Loan Contract for Four Railways in Manchuria and Mongolia, signed in 1918.
 - e) The Contract of the Kirin-Tsushima Railway Construction, signed in October, 1925.
 - f) The Contracts for the Kirin-Kaipei and the Changchun-Dairen Railways' Construction, signed in May, 1928.

Taking all the above mentioned treaties and codes into consideration, the most important and significant of them all are the Russo-Japanese Treaty of Peace of 1905 and the Sino-Japanese Treaty Respecting South Manchuria And Eastern Inner Mongolia of 1915.

That is to say, the rights pertaining to the management of the South Manchuria Railway and the lease of Kuantung Province—which form the most essential part of the vital Japanese interests in Manchuria and Mongolia, were acquired by Japan from Russia as the result of their peace treaty.

These rights were further duly recognized by the Chinese Government in the Ching dynasty through the Sino-Japanese Treaty Regarding Manchuria and its Supplementary Agreement in 1905. Then came the Sino-Japanese Treaty Respecting South Manchuria And Eastern Inner Mongolia of 1915, which extended the term of the Japanese legitimate rights, thus making Nippon's indispensable interests in Manchuria and Mongolia secure and well established.

Lease of Kuantung

The lease of Kuantung Province by Japan was effected according to Chapter 5 of the Russo-Japanese Treaty of Peace in 1905, with the consent of the Chinese Government.

The chapter in question said:

"The Imperial Russian Government transfers and assigns to the Imperial Government of Japan, with the consent of the Government of China, the lease of Port Arthur, Tairen, and adjacent territory and territorial waters, and all rights, privileges, and concessions connected with or forming part of such lease, and it also transfers and assigns to the Imperial Government of Japan all public works and properties in the territory affected by the above-mentioned lease."

Consent of China

"The two high contracting parties mutually engage to obtain the consent of the Chinese Government mentioned in the foregoing stipulation."

"The Imperial Government of Japan on its part undertakes that the proprietary rights of Russian subjects in the territory above referred to shall be perfectly respected."

These rights to lease Kuantung Province had been secured by Chapter 8 of the Sino-Russian Treaty on the Lease of the Liaotung Peninsula in 1898. According to the chapter, the term of the lease began on March 2, of the same year, to last for 25 years. The chapter further provided that any extension of the term should be made after the negotiations between the parties concerned upon its expiration on March 27, 1923.

These same rights were transferred and assigned to Japan by Russia and later in 1915, Japan and China concluded the Treaty Respecting South Manchuria and Eastern Inner Mongolia of 1915, Chapter 1 of which held that the term of the lease should be extended to 99 years from the original date, 1898. That is, the term will expire in 1997. Thus Japan is justified in leasing Kuantung Province for 66 years to come.

Chapter 1 of the treaty of 1915 said:

"The high contracting parties mutually agree to extend the term of the lease of Port Arthur and Dairen, and the term relating to the South Manchuria Railway and the Antung-Mukden Railway, to a period of 99 years respectively."

Gateway to Manchuria

Geographically, Kuantung Province, as is well known, is a narrow part of the Liaotung Peninsula, the southern tip, made up of the two ports of Ryojun and Dairen and some hinterland. Although its area is not large, the province is an important gateway to South Manchuria and is also the point from which Japan's Manchurian and Mongolian policies are guided.

Viewed from political, economic, and strategic standpoints, the Japanese lease of the province must be protected at any cost as long as Nippon holds essential interests in Manchuria. Unfortunately, this lease of the province is the only one of the Japanese rights maintained intact from Chinese interference.

In addition to the lease of the province, the right to establish a neutral district in the region north of the leased territory is being recognized by China. The first step in this recognition was made in May, 1898, when Russia and China signed an additional treaty in Peking. Chapter 2 of that pact held that Russia was authorized to designate the district embodying the mouth of the River Kaichow on the west coast of the Liaotung Peninsula, north of Hsinyencheng, and the mouth of the River Tayuan, as a neutral zone.

This right was duly assigned to Japan by Russia, and the former is entitled to refuse the entry of Chinese troops in this particular zone, as well as to reject China's opening any part of the zone's east and west coasts for trade with other countries, or her allowing any third party to build railways, or engage in mining or other industries and commerce in the same district.

Garrison Right

Russia and Japan reserved rights, in the supplementary agreement of the Russo-Japanese Treaty of Peace, to station troops along the railway zone of the Chinese Eastern Railway and the South Manchuria Railway, respectively, at the rate of not more than 15 men per each kilometre of the line, in order to safeguard their respective railways.

The Japanese troops now active in Manchuria are stationed there by virtue of this very agreement.

The South Manchuria Railway is about 1,100 kilometres in length. It means that Japan may station officers and men to the maximum limit of 16,500 along the S.M.R., as provided in the foregoing agreement.

The Japanese railway guards in Manchuria are made up of the Independent Corps with its headquarters at Kungchunlin and also of the South Manchuria Division. The present force, even after the outbreak of the recent incident, has not been increased to the treaty maximum.

Russians Evacuate

Russia evacuated her entire railway guard force a few years ago. The Chinese Eastern Railway, therefore, is now being guarded by Chinese troops. This is why China has frequently approached Japan with the request, based on Article 2 of the Sino-Japanese Treaty Regarding Manchuria, that Japan, too, should withdraw her railway guards now that the Russians have evacuated.

The Japanese guards, however, are stationed within the railway zone which is entirely under the Japanese administration where any Japanese subjects, troops or otherwise, may reside. Consequently, the Chinese have no right to make such a request.

Moreover, Japan may follow the Russian example only "when order has been perfectly established in Manchuria and the Chinese authorities have become able fully to protect the lives and property of foreigners in Manchuria," as is provided in the latter half of the same article upon which the Chinese request is based.

In the present circumstances, when the lives and property of the Japanese subjects residing in Manchuria are exposed to constant danger, and especially when such an incident as the Chinese bombing of the South Manchuria Railway, leading to the outbreak of the present emergency, is liable to occur, it is only natural that the right to station guards should be firmly preserved as a special privilege of Japan.

The proposed reorganization of the Imperial Army reflects the foregoing necessity, for it includes the change of the present system of stationing the railway

guards in Manchuria. At present, troops are sent from home divisions to Manchuria to assume guard duty there for a certain period and are then relieved by other guards from home divisions. This system, however, is going to be changed in such a manner that no troops need be sent from the home divisions annually as they are now.

Order And Administrative Improvements

While negotiations on the Supplementary Agreement of the Sino-Japanese Treaty Regarding Manchuria were pending in 1905, the original Japanese proposal included two articles which, in substance, were as follows:

"Article 1. As soon as the Russian and Japanese troops are withdrawn from Manchuria by virtue of Article 3 of the Russo-Japanese Treaty of Peace, the Chinese Government should organize an administrative organ which will be able to maintain peace and order in the districts from which the said troops have withdrawn."

"Article 2. The Chinese Government should establish a good administration in Manchuria and start administrative improvements with the object in view of giving proper and effective protection to the lives and property of foreign residents in Manchuria."

The Chinese delegate, however, expressed the hope that these articles would be eliminated from the Japanese proposal on the ground that they amounted to interference with the Chinese domestic administration.

It was explained by the Japanese delegate, however, that these articles were by no means intended to interfere with the Chinese domestic administration, but that they were meant for the perfection of the administration in Manchuria in such a manner as to guarantee security in the future; it was also explained that the reformation, which would mean the rooting out of whatever causes of future international complications there might be in Manchuria, was a proposal that was as beneficial to China as it was important to Japan's national welfare.

Compromise Made

A compromise was made in the end, however, by which the foregoing two articles were combined into one in the form of a Chinese statement to be issued by China spontaneously and be recorded in the annals of the negotiation proceedings. The gist of the statement is as follows:

"The Chinese plenipotentiary delegate declares that the Chinese Government, following the evacuation of the Japanese and Russian troops, will carry out under the sovereign rights of China perfect administrative management in order to maintain peace and order. Furthermore, efforts will be made under the same sovereign rights to develop industry, to remove all evils, and to carry out effective all round readjustments so that all the native and foreign residents in Manchuria may attain welfare in their lives and business undertakings under the protection of the Chinese Government. As regards the practical measures to materialize the said readjustment, however, the Chinese Government will take whatever steps it sees fit and proper."

The foregoing statement is contained in a secret document, but Japan has regarded it as a kind of agreement with binding force and China, too, has recognized it as such.

Japan May Protest

In case, therefore, the Chinese Government does not act properly in maintaining peace and order in Manchuria and fails to give effective protection to the Japanese and foreign residents and their business undertakings, leading to the creation of a situation which is contrary to the original intentions, Japan, on the basis of the foregoing Chinese statement, may draw the attention of the Chinese Government to that fact and then request that government to carry out administrative improvements.

The Chinese statement, furthermore, proves on the other hand that Japan may act to guarantee the perpetuation of peace and order and to protect the lives and property of the Japanese and foreign residents in Manchuria in case the Chinese Government fails to act effectively to insure such safety. And, such an action on the part of Japan will not signify interference with the Chinese domestic administration. This privilege, then, assumes important significance as one of Japan's special treaty rights in Manchuria.

Included among the instances in the past when the said privilege of Japan was exercised by virtue of the foregoing secret Chinese statement are:

The issuing of a warning by Japan to the representative of the Mukden and Peking Governments concerning the preservation of Japan's treaty rights in Manchuria and Mongolia at the time when the second Mukden-Chihli War threatened to break in October, 1924.

The issuing of a warning by the Commander of the Japanese troops in the leased territory of Kuantung as

regards the Chinese protection of the Japanese residents in Manchuria as well as the Chinese appreciation of Japan's treaty rights, to the Mukden and to General Kuo Sung-ling's forces at the time of their clash.

And again in 1928, when the Nationalists went on the expedition against the Northern factions and there were indications of Manchuria being involved in the turmoil, the Japanese Government sent a memorandum similar in nature to the foregoing warnings to both the Northern and Southern Governments.

Management of S.M.R.

The lease of Kuantung Province and the management of the South Manchuria Railway are to Japan's interest in Manchuria what wheels are to a cart. Precisely like the lease of the Province, the control and management of the railway is the most vital part of these interests. The importance of the railway's position in Japanese Manchuria policies and the significance of the railway's economic activities in Manchuria are so great that no elucidation is here required.

The South Manchuria Railway, including its line between Antung and Mukden, has its own Railway Zone with an area of 17 square ri.

Chapter 6 of the Russo-Japanese Treaty of Peace of 1905 says:

"The Imperial Russian Government engages to transfer and assign to the Imperial Government of Japan, without compensation and with the consent of the Chinese Government, the railway between Changchun (Kuancheungtsze) and Port Arthur and all its branches, together with all rights, privileges, and properties appertaining thereto in that region, as well as all coal mines in the said region belonging to or worked for the benefit of the railway."

"The two high contracting parties mutually engage to obtain the consent of the Government of China mentioned in the foregoing stipulation."

Extent of Railway

The railway consists of its main line 438 miles long, from Dairen to Changchun, which is Manchuria's main artery of traffic; in addition there are the Mukden-Antung branch line, 161 miles long, the Ryojun line, the Yingkou line, the Yentai line, the Hunyu line, the Fushun line, and the Paoehung line. The extent of these branch lines combined reaches about 700 miles.

The railway management also has its own land holdings in Mukden and Changchun.

As provided in Chapters 5 and 6 of the Russo-Japanese Treaty signed at Berlin in 1896 concerning the construction of the Chinese Eastern Railway, Japan also has the absolute and exclusive right of administration with the limit of the South Manchuria Railway Zone.

The right in question includes such privileges as the exemption from taxation of all immovable property such as the telegraph system, and also the exemption from customs duty and taxes of all the materials concerning the South Manchuria Railway's business management.

This means that the relation between China and the S.M.R.'s railway zone is precisely like that between the Kuantung Leased Territory and China, although the Railway Zone is outside Kuantung Province.

The business term of the South Manchuria Railway was decided in the original agreement as 80 years, starting from the date of its being opened to traffic. This agreement held that the entire business of the railway, together with its property should be returned without compensation to China after this lapse of time.

The agreement also provided that China was entitled to repurchase the railway 36 years after the opening of operation, by redeeming the entire amount of the invested capital and the debts and interest connected with the railway.

Term Lengthened

The term, again, was extended by the Sino-Japanese Treaty Respecting South Manchuria and Eastern Inner Mongolia of 1915, which extended both the term of Kuantung Province lease and the business term of the railway company by 99 years. Thus, the South Manchuria Railway under the Japanese management can rightfully maintain its business until 2002, or 71 years hence.

At the same time, China's right to repurchase the railway as defined in the original agreement was declared null and void by a note attached to the Treaty of 1915.

Besides its main business of railroading, the South Manchuria Railway also engages in various lines of industry such as mining, maritime transportation, harbour building, iron founding, electricity, hotel management, oil-shale production, and several other enterprises.

The capital of the company, which amounted to ¥200,000,000 at the time of its incorporation in 1906, reaches more than double that amount, today, or ¥440,000,000.

(Continued on Page 4)

Japan's Economic Risks in Manchuria

Japan in almost monopolizing investments in Manchuria, her total investments having now reached ¥1,500,000,000, while the combined amount of other countries' investment in Manchuria is only ¥550,000,000. Of the combined amount, a great part is Russian investments, her share being 84 per cent., as she invested in the Chinese Eastern Railway and other business in connection with the Railway.

Naturally other foreign countries' share is very small. Details as to country are as follows: Britain ¥39,650,000, the United States ¥26,000,000, France ¥21,000,000, Sweden ¥1,000,000, and Denmark ¥1,000,000.

Thus Japan's investments in Manchuria are incomparably large and consequently Japan has a great concern in Manchurian affairs and she becomes anxious when her treaty rights and interests are threatened by the Chinese outrages, especially in view of the fact that more than 100,000 lives were lost and ¥2,000,000,000 was spent to drive Russia out of Manchuria as Japan has staked her national existence twice in order to preserve the neutrality of Manchuria against the aggressor.

Division of Investments

Japan's investments in Manchuria may be divided into three items, that is to say, investments by granting loans ¥240,000,000, investments in enterprises conducted by other corporations ¥1,140,000,000, and investments in enterprises conducted by individuals.

The greatest item in Japan's investments is the South Manchuria Railway Company, which has many subsidiary businesses throughout South Manchuria along the railway lines. According to the survey conducted on March 31, 1931, investments in the South Manchuria Railway Company amount to approximately ¥742,000,000.

A rough division of investments in the Company is shown in the following table:

Item	Investments (Unit Yen)
Railways	270,000,000
Railway factories	6,500,000
Harbour works	83,000,000
Fushun Oil shale	
Factory	8,800,000
Anshan Iron Works	28,000,000
Fertilizer factory	60,000
Local utility works	180,000,000
Miscellaneous works	23,000,000

Thus investments in the South Manchuria Railway Company alone are an enormous amount and any threat to wreck the foundation of the Company has a serious effect upon Japan.

Foreign Countries' Investments

Among the investments in Manchuria by foreign countries, the railway is also the most important item, their combined investments amounting to ¥450,000,000. Next comes trading, with investments amounting to ¥42,000,000, followed by banking, ¥28,000,000, manufacturing ¥16,000,000, and mining ¥15,000,000. Their combined investments in miscellaneous enterprises amount to ¥29,000,000.

Britain has been holding debentures of the South Manchuria Railway Company to the amount of approximately ¥39,000,000. This should be considered as indirect investments in Manchuria.

International Competition

The international competition in making investments in Manchuria has become keener than ever, following the development of industries there. Rumours have been current that Britain and the United States were going to invest in the Chinese mining industry, while Germany was planning to invest in the Chinese railways in Manchuria.

Japan, however, has a geographical advantage, compared with other foreign countries. Foreign countries, therefore, will not be able to compete with Japan in making investments in Manchuria and they will not dare engage in competition with Japan, because they will find it difficult to protect their interests in Manchuria, which are constantly affected by the Chinese outrages.

Some Chinese Know Situation

Some Chinese know that it is unwise to stand against the Japanese activity in Manchuria and China and a further cooperation should be effected in order to promote the prosperity of Manchuria and China, but a majority of the Chinese people do not know the actual situation and they are instigated by some to conduct the anti-Japanese agitation partly at the expense of the Chinese themselves.

They will, however, come to know the actual situation sooner or later and they will find that cooperation with Japan is imperative. Meantime Japan will have to protect her threatened treaty rights and interests in Manchuria and China at any cost.



Guarding the Railway: The only way to make the Chinese observe the sanctity of international treaties.

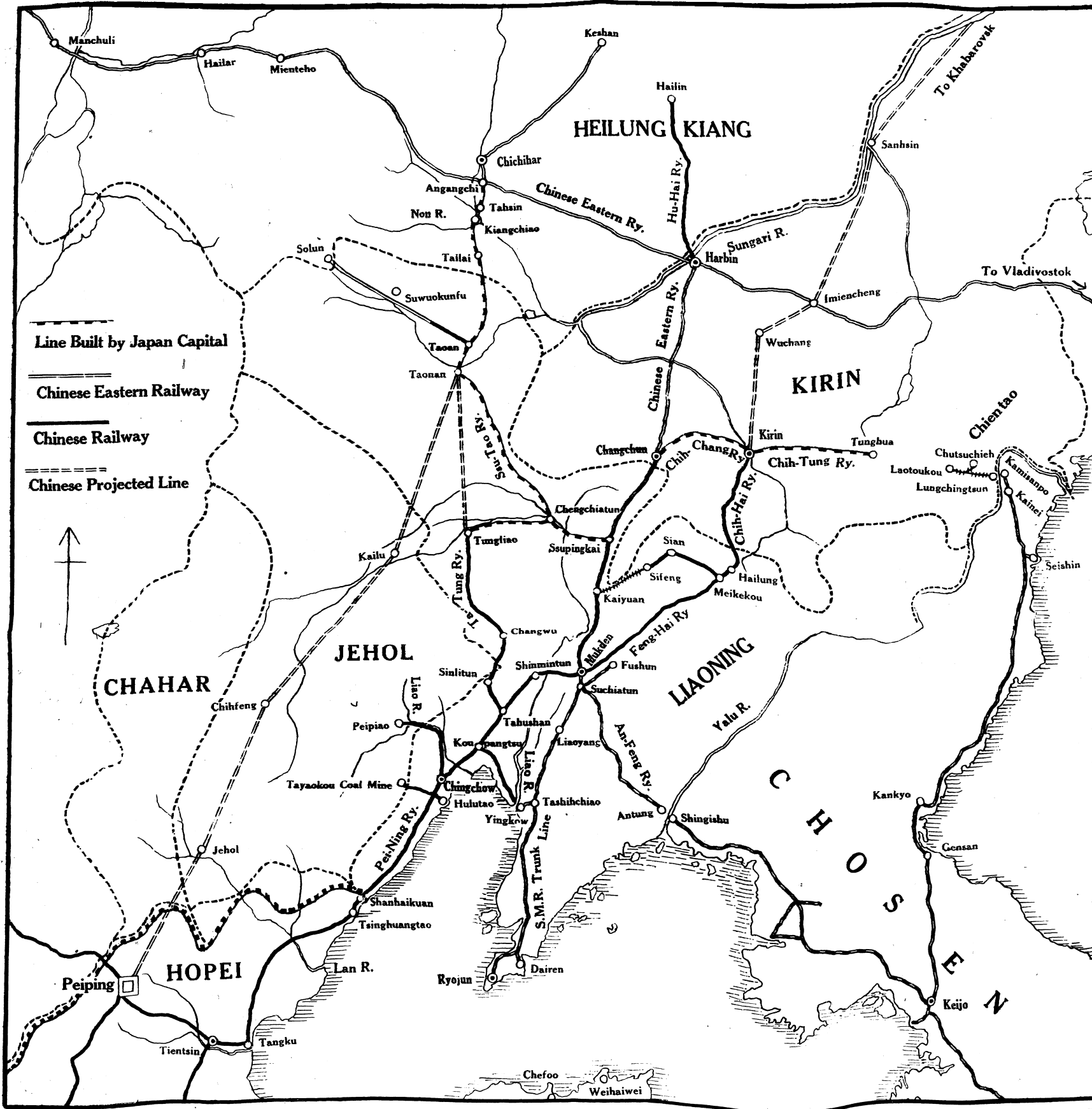


The Military Nerve Centre: The headquarters of the Kuantung Garrison whence the orders and instructions for military operations are issued.

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State Letter, August 10, 1972
By M.L. O. Burdick
NARS, Date 12-18-75

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Where Handful of Imperial Troops Is Fighting Against Greatest Odds To Protect Lives And Property of Japanese Nationals And to Free Territory From Menace of Roaming Chinese Soldier-Vandals



Pictures

Mobs Kept Out

A typical barbed wire defence along the borders of the Japanese settlement and the Chinese quarters in Mukden, soon after the Chinese outbreak on the night of September 18, 1931.

Called to Duty

Members of the civilian volunteer corps in Mukden called to emergency duty, ready with arms. In the earlier part of the critical situation, these volunteers helped the military authorities a great deal in keeping all suspicious and undesirable Chinese elements out of the Japanese quarters and in maintaining peace and order in the local community.



China Is Only Country in World Where Government Carries Out Systematic Anti-Foreign Movement as Perversion of Diplomacy

How China Tramples Upon Rights Of Japan in Manchuria

The blowing-up of the South Manchuria Railway track on the night of September 18 by the Mukdenite troops, while it undoubtedly was serious enough in itself, was not the sole factor that prompted Japan to take possession of nearly all the barracks of the Mukdenites, even though Japan's military action is not for keeps.

The reason why the Kwantung garrison had to take drastic measures was much more deep rooted than that. Nor did it come by accident. It was the unfriendly and warlike attitude of the Mukden authorities during the past five years that subsequently paved the way for the present Manchurian unrest.

It was the fixed policy of the Mukden authorities during this period to drive Japan gradually out of Manchuria. Had Japan allowed herself to be driven out step by step by the Chinese in Manchuria, the world would not have seen the so-called Manchurian incident.

In point of truth, Japan up to the outbreak of the incident had been retreating little by little almost every day, but just as there is a limit to man's patience, and so is the extent to which a country can have recourse to compromising. Japan had reached a point where she could no longer give way an inch.

The Sino-Japanese treaty of commerce, governing relations of the two countries in a general way, does not suffice to record and clarify various rights and interests vested in Japan in consequence of the Russo-Japanese war.

It need scarcely be said here that these vested rights and interests cost Japan billions of yen and 200,000 lives to realize. That is not all. The Chientao agreement and the treaty of 1915 gave Japan additional rights and interests. Was Japan content to let China infringe on Japan's treaty rights? A thousand times, no!

Japan's national sentiments always keenly concerned over the vested rights in Manchuria, have for some time come to turn greater attention than ever before to the countless instances

in which the Chinese steadfastly balked at Japan's just dues.

This nation, far from being warlike, and having always had deep sympathy for the worthy aspirations of China, her neighboring nation, which has much to learn from Japan in every way, has striven hard to bring the outstanding issues to an amicable solution.

Japan's efforts for peaceful settlement—repeated written or verbal warnings—served only to make China hold Japan lightly in her estimation. Figuring that Japan, bound by the League of Nations covenants, the Kellogg Pact and the Nine Power Pact, would be unable to make a firm stand on the Manchurian situation, China deliberately ignored Japan's rights in Manchuria with alarming persistence.

That, in a nutshell, is what has eventually culminated in the recent muddle, which was accentuated by the explosion on September 18 on the S.M.R. track by the Mukdenite troops. Heretofore whenever Japan's rights were violated and trifled with, Japan lodged verbal or written protests with the Chinese authorities, most of which protests were ignored.

The Consulate-General of Japan at Mukden is said to hold an enormous volume of documents dealing with hundreds of unsolved issues, some of which concerned the life and death of Japan's future. These pending issues, if roughly divided, can be classified as (1) Railway Problems, (2) Land Questions, (3) Disposition of Chosenese Settlers, (4) Illegal Taxations, and (5) Miscellaneous.

Railway Problems

By far the greatest cancer in Manchuria is the problem of railway troubles, of which none can exceed in importance China's criminal disregard of Japan's priority right. China has been treaty-bound not to build any lines, parallel to the S.M.R. In December, 1905, shortly after the termination of the Russo-Japanese war, China solemnly pledged she "would not build parallel lines to S.M.R. or branches thereof that might jeopardize the S.M.R. prior to the time for right to build the Kaiyuan-Kirin Railway, the Changchun-Taonan Railway, the Taonan-Jehol

cession of Sino-Japanese negotiations at Peking, subsequent to the war.

In spite of the indubious binding power of this pledge, China began construction work on the Tahushan-Tungling Railway, a line that certainly is parallel to S.M.R. in 1922, and which was completed in October, 1927. Japan vigorously protested against this during the construction work, but without avail.

The Kirin-Hailiao Railway which was completed in 1929 is the second instance where S.M.R.'s anti-parallel line right was ignored. China was supposed to build in cooperation with Japan a line from Hailiao to Kaiyuan of which Japan had priority right. Yet, China not only failed to cooperate with Japan but linked the new line with the Mukden-Hailiao Railway, which was a downright infringement of treaty rights. Repeated protests on this matter were fruitless.

Kirin-Kainei Railway

The right to build the Kirin-Kainei Railway is the third case in which the Chinese authorities have made the iron-clad agreements a mere scrap of paper. This line, purporting to link Changchun, the northern terminus of the S.M.R. with Kainei, Chosen's northernmost seaport on the Sea of Japan coast, via Kirin, has been secured by Japan by successive treaties and agreements.

First, by the Kirin-Changchun railway agreement of 1907; second, by the Chientao agreement of 1909; third by the Kirin-Kainei railway loan preliminary agreement of 1918; fourth, by the contract of 1927 entered into by the late General Chang Tso-lin, Mukden warlord and Mr. Kumatori Yamamoto, then governor of the S.M.R.

In addition to that, at the signing of the 1918 preliminary railway loan agreement, a sum of ¥10,000,000 was advanced to the Mukdenites by Japan. In spite of all this, China has been unable to accomplish to date is the section between Kirin and Tungling, over which traffic has been opened. Needless to say, Japan's continuous demand for a showdown, has always been ignored by China.

Four Manchuria-Mongolia Lines

Speaking of the 1918 preliminary railway loan agreement despite the fact that another sum of ¥20,000,000 was advanced by Japan at that time for right to build the Kaiyuan-Kirin Railway, the Changchun-Taonan Railway, the Taonan-Jehol

tracting parties. During the time the line is under the control of the Japanese, Chinese troops, arms, and provisions will be transported according to the terms of the Chinese Eastern Railway Treaty.

"In effecting the transformation of the railway, the Japanese authorities in charge will consult with commissioners to be appointed by the Chinese Government. Rates of freight on goods belonging to the Chinese Government or private individuals will be specially arranged."

Broad Gauge Line Built

In April, 1907, the South Manchuria Railway Company formally received its main line and the Mukden-Anjung Railway from the Imperial Army's management, and the company was ordered by the Japanese Government to transform the light railway into a broad gauge track 4 feet 8.5 inches wide within three years.

The actual reconstruction, however, was delayed considerably due to the slow progress of the company's negotiations with the Chinese Government and also difficulties encountered on the technical side of the work.

The reconstruction at last began in August, 1909. The work was finished in October, 1921, after spending approximately ¥25,000,000. The railway has since been under the control of the S.M.R. company.

The term of the Mukden-Anjung Railway which was fixed as 15 years in the Treaty of 1905 was further extended to 99 years from that date in the Sino-Japanese Treaty Respecting South Manchuria and Eastern Inner Mongolia of 1915, that is, till 2004 or 73 years hence.

Unlawful Competition

It is to be extremely regretted that the agreement between Japan and China to the effect that the latter will not construct railway lines parallel with the South Manchuria Railway seems only nominal at present.

The burning issue of China's unlawful building of such lines, competing with the S.M.R., is casting a dark shadow upon the railway company's management. Japan has a legitimate right to demand that China does not lay such railways, but this vested right is being ignored by the Chinese.

Chapter 3 of the secret protocol attached to the Sino-Japanese Treaty Respecting Manchuria signed in 1905 says that the Chinese Government promises not to construct, before the restoration of the S.M.R. from Japan, any railway which is near or parallel to the former or which may affect the former's business interest.

Although this was a secret agreement, it still remains strictly in force. Once, indeed, the application of the protocol checked China's attempt to build an illegal railway.

In July, 1907, the Chinese Government planned a new line between Haimintun and Fakumen, violating the



Reunion: The members of the family of a Chosenese farmer in the interior of Kirin Province, driven out of their home by roaming Chinese soldier-bandits, escaped with their lives and are seen expressing their joy at their miraculous reunion. The picture was taken by a staff photographer of the Osaka Mainichi, near Kirin City, at 3 p.m., October 16, 1931.

Railway, and a branch from the latter to a seaport, not one of the four lines has so far been built.

On the contrary, China built by her own hands the Kirin-Hailiao Railway, which forms a part of one of the proposed lines that runs parallel with the S.M.R., which goes to show that China is guilty of double infringement of agreements.

Of course as Japan subsequently turned her right to build the Taonan-Jehol Railway and a branch from that line to a seaport outlet over to a consortium, she has no claim on outsiders. But since China does not recognize the consortium, Japan has the preferential right to press China for execution of the contract.

Five New Railway Claims

In the five new Manchuria-Mongolia railway concessions to which Japan and China are the contracting parties, is included the Kirin-Kainei Railway. Besides there are the Changchun-Taonan Railway, the Kirin-Wuchang line, the Taonan-Solunin line, the Yanki-Hailiao line, the right of which was secured by the agreement of May, 1928. The fact remains that the contract or no part thereof has since been executed.

Taonan-Angangchi Railway

The Taonan-Angangchi Railway was built on the loan advanced by the Chinese and turned over to them late in 1926, with the understanding that in the event of the Mukden authorities failing to pay the contracted cost wholly or in part within six months after delivery, the S.M.R. would share the management and operation of the road.

China not only failed to settle the account to date, but has not even paid the interest on the construction loan. Despite the fact that the contract calls for the clarifying of the financial status of the road to creditors, and for the hiring of a Japanese adviser, China has shown no inclination to live up to the contract, and has since been operating the line of her own accord.

Kirin-Tunhua Question

The Kirin-Tunhua line forms the part of the proposed Kirin Kainei Railway, built by the S.M.R. and was opened for traffic in October, 1928. Despite the fact that China has been faithless throughout, refusing to pay the construction cost of ¥18,000,000 or any part thereof, but running the line built by the S.M.R. for nothing. Furthermore, China has failed to hire a Japanese chief accountant for the line, as per contract.

China is honour-bound not to connect the Peiping-Mukden Railway with the Mukden-Hailiao line, so long as the former crosses the S.M.R. line at Mukden, it being understood by the agreement of 1909, the extension of the Peiping-Mukden line shall terminate near the walled city of Mukden.

Yet, in spite of repeated protests from Japan China willfully violated the contract by linking the two lines without Japan's consent or without a

above mentioned agreement. The Imperial Government reminded China of the latter's promise, but she ignored Japan's protest and signed a railway construction contract with a certain British engineering company.

Japan lost no time in filing a strong protest with China, as well as in negotiating with the British Government. Nippon then finally succeeded in making Britain withdraw the contract to build the railway for China.

Manchurian Treaty

Two years later, or in September, 1909, Japan and China signed the Treaty Respecting Manchurian Questions, Chapter 1 of which held as follows:

"The Government of China engages that in the event of its undertaking to construct a railway between Haimintun and Fakumen it shall arrange previously with the Government of Japan."

Chapter 2 said, "The Government of China recognizes that the railway between Tashichiao and Yingkou is a branch line of the South Manchuria Railway, and it is agreed that the said branch line shall be delivered up to China simultaneously with the South Manchuria Railway upon the expiration of the term of the concession for the main line. The Chinese Government further agrees to the extension of the said branch line to the port of Yingkou."

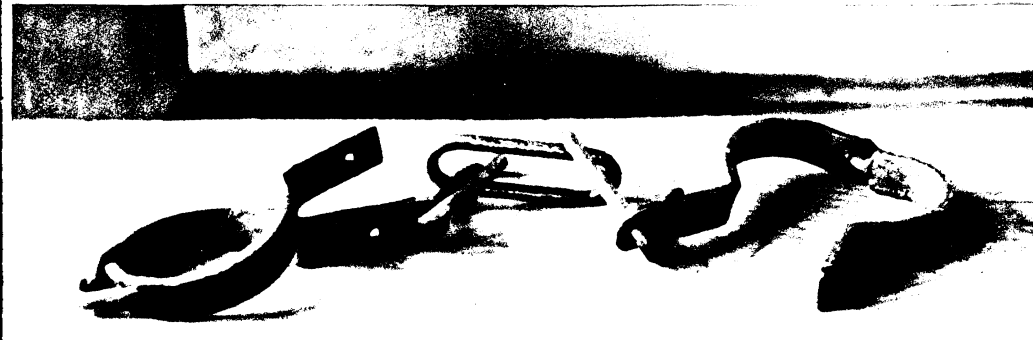
In October, 1909, China concluded a preliminary agreement with American financiers to build a railway between Chinchow and Ahun, but this plan, together with the proposition for the neutrality of Manchurian railways initiated by U.S. Secretary of State Knox, were kept from being materializing due to the joint opposition of Japan and Russia.

Pact Violated

Japan's demand that no country should build a railway that would hinder the profit of the South Manchuria line thus has been a legitimate right, but the Mukden



All Grief Stricken: A group of Chosenese refugees whose parents, brothers, sisters and other relatives were murdered by Chinese soldiers. They themselves barely succeeded in escaping. They were terrified almost to the point of insanity.



Chinese Civilization: A pair of leg irons found on a Chosenese confined in the prison in Kirin City. The Chosenese committed no offence other than being a Japanese subject.

mutual alteration of the original contract.

Szepeinghai-Taonan Line

The Szepeinghai-Taonan Railway was built on the loan advanced by Japan and was completed in 1917. China likewise defaulted in the payment of principal as well as interest, the latter alone having since accumulated to ¥10,000,000. Although China subsequently converted the loan to one of short term, she neither made the payment due nor complied with the renewal proceedings.

Leasehold Question

Japan by virtue of the Sino-Japanese Treaty of 1915 has secured the right for her nationals to lease land in the republic of China. Article 2, dealing with South Manchuria and eastern Inner Mongolia, provides that Japanese subjects may lease land in the south Manchuria, necessary for erecting industrial and commercial structures and for engaging in agriculture.

One of the official documents exchanged between the two powers then, clearly defines that by "leasehold" is meant a term of 30 years with an option for indefinite renewal, which means practically the permanent possession of land.

The treaty then stipulated that the high contracting party to the contract must confer with district authorities in regard to the actual execution of the contract. The Japanese authori-

ties immediately after the treaty went into effect, began negotiating with the Mukden authorities, only to find the latter utterly insincere.

Sixteen years have since elapsed, during which time Japan pressed China countless times without avail. In addition to this, the Mukden authorities not only refused to accommodate the Japanese nationals in securing land, but did everything to hinder the Japanese from leasing the land, by issuing adverse instructions to the district officials.

Chosen being thickly populated, what is more natural than for the Chosenese to go seek their fortune in Manchuria which is sparsely populated. Inasmuch as the Chinese landlords desire to have their tracts tillaged by the Chosenese, who are desirous of settling in Manchuria, the live-and-let-live principle ought to be vindicated in Manchuria under ordinary circumstances. But is it?

The reason why Japan is anxious for her nationals to secure leasehold in Manchuria is primarily for the purpose of facilitating the Chosenese set-

tlements desiring to cultivate paddy fields. Yet, the Chinese authorities, skeptical of the real purpose of the Chosenese, have been and are doing everything they can to recognize the leasehold rights, in which they are vested by the treaty.

How the Chosenese are maltreated by the Chinese is fairly well known along the S.M.R. zone or near where there are Japanese consulates, but it is difficult to imagine the extent to which the Chosenese are oppressed in the remote districts, outside the Japanese authorities' sphere of influence.

Listed below are some of many instances where the Chosenese were victimized by the oppressing Chinese:

April, 1927, Mukden authorities ordered the closing of the primary school for Chosenese children in one corner of the Fengtien Province and four months later a similar case was reported.

August, 1927, the governor of Fengtien Province issued a decree forbidding the Chosenese to cultivate rice, excepting where they were possessors of written permits.

October, 1928, the governor of Kirin Province ordered the banishment of all Chosenese who were not naturalized, while the governor of Fengtien Province issued a proclamation demanding compulsory naturalization of the Chosenese.

November, 1927, the governor of Kirin Province issued another decree, by which he prevented the Chosenese from leasing land for rice culture.

November, 1927, the governor of Fengtien Province issued a clandestine decree, and ordered the Chosenese to be driven out of the province between November, 1927, and January, 1928.

March, 1928, 12 Chosenese families in one corner of the eastern Inner Mongolia were driven out by the Chinese troops by force and the 78 acre tract under cultivation was confiscated and divided among the Chinese settlers from Shantung Province.

February, 1929, a Chosenese settler, Kan by name, and his family of 18, were forced to retreat from along the line of the Eastern Chinese Railway to Changchun, because of persistent illegal demands for money and chattels imposed on him by the Chinese authorities.

March, 1929, 58 Chosenese farmers residing at Tienchungai district, had to return to Chosen because of the persistent oppression by the Chinese authorities who insisted on evacuation of land and withdrawal from the country. They brought pressure to bear upon landlords.

There were countless instances where the Chinese authorities and people by maltreating the Chosenese settlers from every conceivable angle, made Manchuria too hot for the helpless Chosenese to remain in.

Illegal Taxations

So long as Japan enjoy extraterritoriality in China, it stands to reason that China cannot levy on the Japanese nationals residing in China any taxes other than those allowed by the treaty. Yet China under one

Japan's Rights Explained

Management of S.M.R.

(Continued From Page 2)

600,000. The scope of its economic activities is increasing year after year, and it is a world-known fact that the company in itself is a colossal financial force in Manchuria.

Most Shareholders Japanese

The notable part of the railway company's regulations is that its shareholders must be either the Governments or individuals of either Japan or China. In reality, the shares are practically monopolized by the Japanese.

There is an episode worth being mentioned here regarding the Japanese resolution not to include others in the South Manchuria Railway shareholders' list.

Immediately after the Russo-Japanese War, Mr. Harriman, a United States railway king, visited Japan and tried with high enthusiasm to persuade the Japanese Government to assign the S.M.R. to the management of the United States. The Government leaders gradually inclined to favour the proposal of the American railway magnate and both parties were about to sign a contract.

At this juncture, Foreign Minister Komura of Japan returned home from the Russo-Japanese Peace Conference. Japan's peace declaration declared that the transfer of the South Manchuria Railway to America would be a serious hindrance in establishing a far-reaching policy by Nippon. Mr. Harriman vigorously protested, but Minister Komura maintained his insistence, on the legal ground that the nationals of any third party are not entitled to become shareholders in the railway. The origin of this road was a light railway hurriedly built by the Japanese Army during the Russo-Japanese War. This line was handed over to Japan by China according to the Sino-Japanese Treaty Respecting Manchuria of 1905, Chapter 6 of which states the details of the agreement as follows:

Mukden-Anjung Line

The Mukden-Anjung Railway is next to the S.M.R.'s main line in importance. It links Manchuria with Chosen and is a trunk line of communications between Europe and the Far East. The origin of this road was a light railway hurriedly built by the Japanese Army during the Russo-Japanese War. This line was handed over to Japan by China according to the Sino-Japanese Treaty Respecting Manchuria of 1905, Chapter 6 of which states the details of the agreement as follows:

"The Chinese Government agree to the military railway constructed between Antungcheng and Mukden being transformed into a line for the transmission of the merchandise of all nations and conducted by the Japanese Government. The term during which the railway will be conducted by the Japanese to be 15 years from the date on which the transformation of the line is completed.

"Upon the expiry of the term, the railway will be sold to the Chinese Government, its value being decided by two experts, one to be appointed by each of the con-

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Department of State Letter, August 10, 1972
By M.H. O. Durkin
NARS, Date 12-18-75

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Bluejackets on Patrol: The presence of a squad of men from the Imperial warships at Shanghai was found necessary in the Japanese section of the International Settlement of that city to cool down the ardor of the Chinese patrioters. This is by no means the first time armed foreign troops had to patrol Shanghai streets for the protection of the lives and property of their defenceless nationals against ruthless Chinese ravages.



Chinese Traitors: The two Chinese on the left are confined in a "private" prison in Shanghai because they had Japanese products in their shops; the one on the right had to undergo the humiliation of being exposed before the public with a placard hung about his neck; the placard describes him as a "traitor" because he handled Japanese goods.

Records Show Anti-Foreign Spirit In China Is National Trait

1. **Tatsu Maru Incident.** This occurred in 1908 when Japan protested to China against the seizure of the Tatsu Maru, a Japanese steamer. The boycott that followed, continued from March to November, the same year.

2. **Antung-Mukden Railway Incident.** This was connected with the reconstruction by Japan of the railway line between Antung and Mukden in Manchuria in 1909. It was followed by a violent anti-Japanese boycott movement in Manchuria between August and October, 1909.

3. **Sino-Japanese Treaty Trouble.** On the occasion of the signing of the Sino-Japanese treaty of May, 1915, an anti-Japanese boycott agitation was started in Hankow, which spread like wildfire throughout China, lasting until October, that year.

4. **Shantung Problem.** Upon receipt of the news that China's case with reference to the Shantung issue in the Versailles Peace Conference in 1919 was unfavorable, China started anti-Japanese agitation on a gigantic scale throughout the country with the National Humiliation Day, May 7, as the pivot. The agitation continued until December, that year.

5. **Agitation for Recovery of Ryoojun (Port Arthur) and Dairen.** This agitation was carried on between April and August, 1920, with Central China as the nucleus. China finally declared the severance of economic relations with Japan.

6. **May 30 Incident.** Following what is known as the May 30 incident, or the Nanking Road incident, in 1925, wherein a number of Chinese rioters were shot by police in the International Settlement at Shanghai, a strike of national proportions was declared in China, anti-foreign boycotts being conducted in every part of that country.

7. **Shantung Incident.** In 1927, in view of the loss of Japanese lives and property in Nanking and Tsinan caused by the Chinese uprisings, the Tanaka Government of that time sent troops to Shantung for the protection of the Japanese nationals. In retaliation, China inaugurated anti-Japanese boycotts in different parts of that country.

8. **Tsinan Incident.** The Tsinan incident, in which a number of Japanese were killed, took place following the dispatch of Japanese troops for the protection of the Japanese nationals in Tsinan in 1928. In that connection, the anti-Japanese societies were organized as permanent instruments to conduct anti-Japanese agitations as well as boycotts.

9. **Wanpaoshan Incident.** The Wanpaoshan incident of 1931 origi-

nated in the issue created regarding the use of a river for the irrigation of rice paddies cultivated by the Chosenese in Wanpaoshan, North Manchuria. It was accompanied with the retaliatory riots of the Chosenese against the Chinese residing in Chosen. These in turn were followed by the anti-Japanese agitations in the middle of July, that year, in Shanghai and elsewhere under the direction of the anti-Japanese societies.

Anti-Japanese Economic Blockade

With reference to the anti-Japanese agitations, mentioned in Paragraphs 1 to 5, the causes of such agitations were political, although the methods employed were economic, that is, anti-Japanese boycotts were started, meaning the confiscation and non-purchase of Japanese goods. In the anti-Japanese agitation of 1923, however, the Chinese were not satisfied with confiscation and non-purchase of Japanese goods. They adopted a new policy of severance of economic relations with Japan, as follows:

1. **Prohibition of supplying raw material to Japanese.**

2. **Dismissal of all Japanese em-**

ployees in the issue created regarding

the use of a river for the irrigation

of rice paddies cultivated by the

Chosenese in Wanpaoshan, North

Manchuria. It was accompanied

with the retaliatory riots of the

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tions in the middle of July, that

year, in Shanghai and elsewhere

under the direction of the anti-Japanese

societies.

Consequently, after the organiza-

tion of the federation, the actions

of the anti-Japanese societies have

been of different significance from

the anti-Japanese boycotts and other

agitations against Japan in the past.

The new situation may be summed

up as follows:

1. The aim of the National

Federation of Anti-Japanese Societies

was theoretically anti-imperialism

coupled with a patriotic movement,

in conducting the agitations against

Japanese. These agitations were not

like those in the past which had been

only temporary and regional in

character.

2. The federation was a national

organization conducting its move-

ments in a systematic way unlike the

former fire-cracker agitations.

3. In reality, these agitations

were not backed by the people in

general, but by a section of mer-

chants and industrialists as well as

by certain undesirable Chinese who

worked under the cloak of national

movements.

As an example, the anti-Japanese

society in Peiping was led by the

Kuomintang members, students, and

the commercial guilds in that city.

The National Federation of anti-

Japanese Societies was renamed the

National Association for the Abolition

of Unilateral Treaties immediately

upon the solution of the Tsinan

incident at the close of March, 1930.

1529. Today, the three lines, namely, the Peiping-

Ningpo Railway, the Mukden-Hailuogang Railway, and the

Kirin-Hailuogang Railway are conducting a through transpor-

tation service, and challenging the South Manchuria

Railway from the east.

Future Plans

China further plans to connect this line with faraway cities such as Wuchang, Shansheng and Suiyuan, forming a great trunk line in the east and side by side with the western railway net consisting of the Tuhushan-Tungliao Railway, the Suipingkai-Taonan Railway, and the Taonan-Angangchi Railway, to surround the S.M.R. in all directions, giving a fatal blow to the Japanese-managed railway.

The significance of the Sino-Japanese agreement for the protection of the South Manchuria Railway, with the above situation in view, is infinite. The settlement of this question cannot be made by a mere protest from the Japanese Government. It is imperative for Nippon to take some other effective step that will assure the well-being of the South Manchuria Railway.

Five Railways in Question

The much talked about Manchuria-Mongolia five railways are the following roads, all of which were named in the official documents exchanged between China and Japan in October, 1913:

1. **Sau-Tao Line:** Suipingkai, Chengchiatun, and Taonan, 194 miles.
2. **Kaiyuan-Hailuogang Line,** 120 miles.
3. **Changchun-Taonan Line,** 180 miles.
4. **Taonan-Jehol Line,** 470 miles.
5. **Hailuogang-Kirin Line,** 110 miles.

Of the foregoing five railways, the first three were to be built with Japanese capital by the Chinese Government, and as regards the remaining two, Japan was to be given the priority right in the investment in case

Yet Nanking Says There Is No Anti-Japan Movement: This picture shows a house damaged by Chinese Government-incited boycotters in the compound of a Japanese spinning mill, Shanghai.

played in concerns in which the Chinese were interested.

8. **Withdrawal of Chinese workers** employed by Japanese.

9. **No deposits to be made in Japanese banks** and non-use of Japanese paper currency.

As a result, Japan's trade with China decreased, the marine transportation service shrunk, Japanese goods for China export depreciated, Sino-Japanese exchange transactions were dislocated, and otherwise Japan suffered from extraordinary direct and indirect effects. Furthermore, some of the Japanese firms in Central China were obliged to close. Thereafter, China's new policy of economic severance came to be applied in labour disputes with all foreigners in China.

Permanent Anti-Japanese Machinery

Immediately following the Tsinan incident, the national federation of Anti-Japanese Societies was organized under the supervision of the Kuomintang (Nationalist party), exercising control over the anti-Japanese societies throughout China. This federation was a national institution established by the Government of China. All the insidious plans of the federation were laid by the Kuomintang. Consequently, after the organization of the federation, the actions of the anti-Japanese societies have been of different significance from the anti-Japanese boycotts and other agitations against Japan in the past.

The new situation may be summed up as follows:

1. The aim of the National Federation of Anti-Japanese Societies was theoretically anti-imperialism coupled with a patriotic movement, in conducting the agitations against Japanese. These agitations were not like those in the past which had been only temporary and regional in character.

2. The federation was a national organization conducting its movements in a systematic way unlike the former fire-cracker agitations.

3. In reality, these agitations were not backed by the people in general, but by a section of merchants and industrialists as well as by certain undesirable Chinese who worked under the cloak of national movements.

As an example, the anti-Japanese society in Peiping was led by the Kuomintang members, students, and the commercial guilds in that city.

The National Federation of anti-Japanese Societies was renamed the National Association for the Abolition of Unilateral Treaties immediately upon the solution of the Tsinan incident at the close of March, 1930.

1529. Today, the three lines, namely, the Peiping-

Ningpo Railway, the Mukden-Hailuogang Railway, and the

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tation service, and challenging the South Manchuria

Railway from the east.

So-called anti-Japanese business societies have recently been organized in different parts of China.

Anti-Japanese Boycott And Rise of Chinese Industry

While the anti-Japanese boycott has seriously affected the Japanese trade with China, it has tended to encourage the Chinese industry as a natural consequence. It is not proper to dismiss this as a temporary development. The Chinese Government has declared complete tariff autonomy and has established new high tariff rates, thereby rendering the importation of foreign goods very difficult. At the same time, it has encouraged domestic production while making the protective policy distinct. As a result, the industries in China have developed extraordinarily. With the anti-Japanese boycott agitations as the key, various kinds of industry have sprung up in China like mushrooms.

Between 1929 and 1930 inclusive, there appeared 76 large factories in Shanghai, the capital of each, excepting in the case of 10 or more for which the figure is not known, amounting to 8,000,000 yuan.

The Domestic Product Protection Society, formed as a by-product of the anti-Japanese boycott movements, called a meeting of the representatives of various industries in the latter part of April, 1931, at which a resolution was adopted opposing the establishment of factories in China by foreigners. The society then addressed a petition to the national headquarters of the Kuomintang, the Finance Office of the Government, the Industry Office, and the Foreign Office, to the following effect:

1. The National Government is requested to establish a law governing the registration and other matters of factories established in China by foreigners and at the same time to impose heavy production, business, and dumping taxes.

2. The Industry Office is requested to take steps for the encouragement of domestic production to assist in the effective development of domestic industry.

3. The Finance Office is requested to reduce or abolish taxes on domestic products, thereby lightening the burden of the domestic manufacturers.

4. The Kuomintang and the National Government are requested to issue orders to the members of the party and to the Government officials to use domestic products and also to conduct a publicity campaign for the encouragement of the use of domestic products by the people.

5. The port officials are requested

to the Chinese Government was to build them with foreign money.

The Sau-Tao line was partially completed between Suipingkai and Chengchiatun, a distance of 53 miles in November, 1917.

In September, 1918, a new memorandum was exchanged between China and Japan and the program concerning the foregoing five railways was somewhat changed.

New Contract

According to the new memorandum, the Kaiyuan-Hailuogang and Kirin-Hailuogang Lines were to be grouped together as one road to be built with Japanese money, and the Taonan-Jehol Railway was also to be built by Japanese investment, instead of Japan's obtaining a mere priority right to participate in the international investment. Furthermore, a new line was to be built between a certain point of the Taonan-Jehol Line and Hailuogang.

Subsequent to the foregoing memorandum, the Japanese capitalists and the Chinese representatives came to a preliminary agreement as regards the construction of the said four railways and a loan to the amount of ¥20,000,000 was advanced.

Due to the outbreak of strong anti-Japanese activities, however, the contract has not yet been signed, to say nothing of the carrying out of the construction of these railways. The money advanced has never been refunded.

Furthermore, China has built the Kirin-Hailuogang Railway, ignoring Japan's right guaranteed by the loan. When the Four Power consortium was organized in 1919, Japan was obliged by the strong insistence of Britain and America to yield the Taonan-Jehol Line and the railway between this line and Hailuogang to enterprises to be run by the consortium.

Right Still Exists

China, nevertheless, did not recognize the promotion of this consortium. The Powers' attitude toward China has undergone a considerable change since. So far as

ed to petition the Government to check foreigners coming to China as workers.

6. The Foreign Office is requested to ask the Governments of foreign countries to make clear the nationality of foreign goods exported to China and the location of the factories where they were made, with the understanding that any goods may be confiscated if their origin is not made clear.

'Anti' Class at Schools

The National Government of China has adopted a policy of continuing to use anti-Japanese material in textbooks for primary and middle grade schools throughout China with the object of perpetuating the anti-Japanese feeling, until Japan shall have consented to a revision of the treaty of commerce and navigation, the return to China of the lease of the Kuantung leased territory, the return of the control of the South Manchuria Railway, the independence of Chosen, and the return of Taiwan.

Out of 500 chapters containing anti-foreign articles in the textbooks of the schools, 320 chapters are devoted to anti-Japanese matter. These articles may be grouped under the following heads:

1. Japan's aggressive policy in China.

2. Japan's method of invasion of China.

3. Japan's history of invasion of China.

4. Japan's influence in China.

5. What the people of China shall do to face their problems.

All these articles are written in plain and easy style. There are any number of other anti-Japanese articles which cannot be readily enumerated.

The following are samples of anti-Japanese education:

"Insert proper word in the blank space in the following sentences:

"1. The country which is robbing our country of Manchuria and Mongolia is—"

"2. The Kirin-Kaiwei Railway is a line running between Kirin and—"

"3. There is no other way to face Japan than to take—measures."

"4. The South Manchuria Railway Company is a leading instrument by which—will down China."

"5. Taiwan was originally a territory of—"

"6. The influence which Russia exercised at one time in Manchuria and Mongolia was destroyed by—"

these two railways are concerned, however, it cannot be said that Japan's right pertaining to the construction thereof has been discarded.

In short, of the five railways in Manchuria and Mongolia, only the Sau-Tao Line has been opened together with its branch line between Chengchiatun and Tsungliao, a distance of 72 miles. Japan's investment in this line amounts to ¥42,000,000, the Yokohama Specie Bank having handled ¥5,000,000, and the South Manchuria Railway Company, ¥37,000,000. In point of fact, the S.M.R. contracted for the construction of this railway, completing the work in November, 1923.

The business of this railway is satisfactory, but the management refuses to renew the loans.

Thus it may be considered that Japan has an established right to invest in the Manchuria-Mongolia Five Railways, but in the face of China's railway policy and due to the change of the times, a new agreement has been concluded, the outstanding feature of this pact being that efforts shall be made to develop Manchuria and Mongolia industrially by the introduction of various new enterprises instead of by mere railway operation. This is called the New Manchuria-Mongolia Five Railways agreement.

New Five Railways

A secret agreement was concluded between Mr. Yanamoto, former Governor of the South Manchuria Railway Company, and the late Marshal Chang Tso-lin, at Peking in May, 1928, as regards the construction of railways in Manchuria and Mongolia.

As the result, a contract to build the Kirin-Huining and Changchun-Taipei Lines was given to Japan with the understanding that the construction be commenced before May, 1929. Due to the sudden death of Marshal Chang, however, nothing has come of this contract so far.

It is also reported that provisional contracts were also concluded as regards the construction of three railways, the Kirin-Wuchang, the Taonan-Tsiling, and the Yenki-Huiling Lines at the time of the Peking negotiations, but nothing is known for certain as the documents exchanged in those days have not been published.

Taonan-Angangchi Line

The construction right of the Taonan-Angangchi Railway originally belonged to Russia. The Three Eastern Provinces Government (Mukden), however, has regained this right, taking advantage of the Soviet declaration abandoning all its concession rights abroad. Subsequently, Chang Tso-lin gave the South Manchuria Railway Company the contract to build this railway at its own expense.

The Taonan-Angangchi Railway, 143 miles, was thus completed in 1926 at the cost of ¥18,000,000. It was understood that the Mukden Government would refund the S.M.R. expenditures within one year following the completion of the construction, and that in case the

Anti-Japanese Campaign in China Is Marked Everywhere With Insolence And Wanton Destruction of Life And Property

How China Violates All Treaties

(Continued From Preceding Page)

pretext or another has for some time imposed on the resident Japanese in Manchuria numerous illegal taxes.

Since China declared the restoration of tariff autonomy in 1930, and since she decided on the abolition of likin in 1931, China decided to levy what are called administrative tax and business tax. Since likin still stays in Manchuria, China did everything to tax the Chinese residents in the S.M.R. zone.

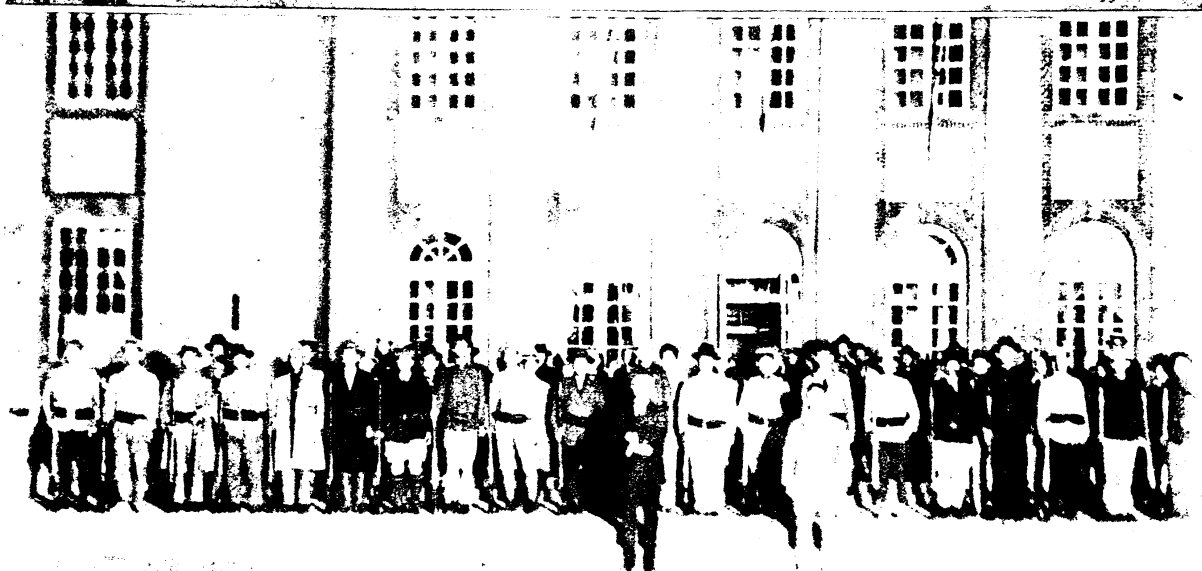
The desire on the part of the Chinese authorities to tax those at Mukden and Antung is, and has always been, more especially pronounced. Of course the Japanese nationals on the strength of the treaty stipulations reject all such moves. But here is where the Chinese authorities' manoeuvres come in.

The authorities wait for the Japanese goods, sold to the Chinese merchants, to be conveyed outside the railway zone, where they impose stiff taxes. In June and July, 1931, hundreds of Chinese tax collectors were in waiting outside the S.M.R. zones of Mukden and Antung.

Needless to say tactics like that deal a severe blow to the Sino-Japanese trade. The Japanese consular and diplomatic corps have time and again lodged vigorous protests with China, to little avail. On all such occasions the Chinese authorities usually made irresponsible and ambiguous replies. The decreasing of the number of tax collectors was the only sign that

In Article 3 of the Sino-Japanese Agreement Regarding—
(Continued on Next Page)

Routed Chinese Soldiers Run Pell-Mell Before Advance of Resolute, Iron-Disciplined Men of Japan; Peace Follows Nippon Flag



Chinese Start Firing

(Continued From Preceding Page)

transportation, apprehension was felt. lest the Chinese forces in those localities might commence a southward movement to Mukden. A detachment of the Japanese troops was dispatched and its presence immediately restored tranquility.

Dohihara Becomes Mukden Mayor

For a while, the tension relaxed. Though it was a period of what might be called the lull before a storm, as witness the later conflicts at Angangchi and elsewhere, Japanese military officers attended to the municipal administration temporarily at Mukden in lieu of the Chinese officials. Such an action on the part of the Japanese troops was unavoidable, since there were no Chinese officials available, all having deserted the city at the outbreak of the military clash.

Colonel Dohihara, commander of the Special Service Corps at Mukden assumed the mayoralty. He made great efforts in collaboration with principal Chinese citizens for the maintenance of order. Colonel Dohihara's administration executed in a spirit of fairness as befits a Japanese soldier, was greatly appreciated by the Mukden Chinese.

To them, growing under the heavy burdens and extortion imposed by General Chang's henchmen prior to the outbreak of the clash, the Japanese administration was nothing short of a miracle. No wonder, Colonel Dohihara and his staff were acclaimed by the Chinese as their benefactors. Order within the city was gradually restored and from about September 21, the Chinese stores resumed business. Nothing proved so effective for security of order as the strict Japanese military discipline.

With further recovery of normalcy and assurance of the Chinese capability of administration without Japanese aid any longer, Colonel Dohihara returned the city administration back to Dr. Chao Chin-pai on October 20.

Chinchow Gets Scare

In the meantime, General Wang I-fu's troops that had fled from Peitaiyung finally joined forces with General Chang Hsueh-liang, the Mukden Warlord at Chinchow after plundering and robbing everywhere they went, on the way. As conditions in that region became so disquieting to the South Manchuria Railway zone, and having ascertained a plan of their counter-attack on the Japanese, the commander of the Japanese troops in Manchuria sent a few aircraft (11 planes, according to the Mukden dispatch to the Mainichi on October 9) for reconnaissance purpose in that region on October 8. As soon as the Japanese arrived there, the Chinese troops fired on the planes, and in response the Japanese army planes

dropped bombs on the barracks of the Chinese troops.

Similar incidents occurred at Taku-shan and Kaopangtse. Especially at Taku-shan, a flight officer received a Chinese bullet in the back of his uniform while reconnoitering.

Besides these outstanding incidents above mentioned, there have been countless cases in which Japanese troops engaged in clashes with straggling banditry Chinese soldiers who made it their practice to strike at defenceless Japanese and Chosenese residents by shaking atrocities, unit to describe in print.

Notwithstanding the defensive measures adopted by the Japanese troops,

the Chinchow incident appears to have been broadcast abroad, especially to the League of Nations like an example of premeditated aggressive air raid of the Japanese troops. Any one, however, who is likely to believe such a false report betrays nothing but a lack of proper knowledge of the disorderly Chinese soldiers and their spokesmen who are better trained in the school of the so-called propaganda than anything else. Staying far away from Manchuria, it is true that it is almost impossible for the members of the League Council to gain a correct view of the situation; hence their difficulty in rendering a fair judgment on the present controversy.

Chinese Wave White Flag; Then Fire

After the Chinchow incident, no military clash of any noticeable magnitude occurred between Chinese and Japanese until Japanese troops began repelling on November 4 the Kiangchiao railway bridge of the Taonan-Angangchi Railway. Japanese were obliged to do so because General Ma Chan-shan, commander of the Heilungkiang Army at Chichihar failed to fulfill the Japanese demand for the repair owing to the fact that the bridge was demolished about half a month ago during the internal strife between the rival Chinese warlords, in which General Ma was involved. The Japanese demand was based on the fact that the said railway was built by Japanese money and the line meant a very important tributary

railway for the transportation of rice and grain to the South Manchuria Railway. The troops had to be dispatched for the work, since the repeated protests of the Japanese Foreign Office filed with General Ma by Consul Shimizu proved of no avail to attain the end, and moreover, a party of Chinese railway men and a Japanese railway advisor had received a machine gun reception at the hands of General Ma's troops when they went to the bridge in accordance with an agreement stipulated between General Ma and the Japanese.

To leave the Taonan-Angangchi Railway out of commission meant a loss of ¥13,000,000, the cost of construction and ¥4,000,000, the cost of rolling stock to the South Manchuria Railway which was built for the Mukden Government under General Chang. The Mukden Government has not, so far, either refunded the cost of construction or signed a contract. Under the circumstances, the

Tientsin Mobs Rise

Though not exactly in the same sense as in Manchuria, the troops of the Japanese garrison in Tientsin were forced to fire at Chinese mobs when they tried to enter the Japanese settlement on November 9. The cause of the disturbance by the mobs is attributed to General Chang Hsueh-liang's coup d'etat against his anti-Chang opponents who are determined to drive him out of power. General Feng Yu-shiang and several other influential generals are on the side of the Anti-Changites.

Alarmed by the developments of the situation, General Chang suddenly took aggressive measures in order to maintain his position. But, as things have not turned out to his liking, his subordinates seem to have directed their enmity toward the Japanese settlement, which is now exposed to grave danger of sudden attack by the Mukdenites who are numbered at nearly 30,000 against 940 Japanese regulars. Indignant at the glaring lawlessness and utter disregard by the Chinese troops of the treaty relative to the international settlements at Tientsin, joint protection of the international settlements in Tientsin is being planned among the Powers' garrison commanders.

Legend:

Top, L to R: A small contingent of Imperial troops arrived at Kirin Station, from Changchun, on September 21, in double quick time in order to afford the Chinese soldiers no opportunity to molest the Japanese residents. The local Chinese commander surrounded part of his arms and retired to a specified district. There was no bloodshed in the district.

The arms given up to the Nipponese men by the Kirin Chinese troops. The timely seizure of large quantities of arms elsewhere and the disarming of Chinese soldiers whenever possible helped much toward avoiding unnecessary casualties.

Middle: A mere handful but resolute, this small squad of Japanese troops boldly advanced to Taonan and easily captured it, ensuring the safety of the lives and property of the Japanese subjects there.

Bottom: The Japanese volunteer corps at Changchun called to emergency duty, ready to face the worst. Members of the corps are seen lined up in front of a Japanese public building at 3.30 in the morning of September 19.

South Manchuria Railway is justified to claim the Taonan-Angangchi Railway.

On November 4, a contingent of about 1,000 Japanese troops came to blows with General Ma's forces near the Kiangchiao Bridge across the Non River at 2 p.m., and sustained the heaviest losses since the outbreak of the Manchurian Incident, on account of the unparalleled foul play of the Heilungkiang troops.

Prior to the clash, General Ma had concentrated 1,500 infantry, 500 cavalry, 1,300 guards and 32 guns at Taku-shan (near the bridge) to oppose his rival General Chang Hsueh-liang. This force fired on the massed formation of the Japanese troops after drawing the Japanese soldiers close to their camp by hoisting a white flag to indicate surrender, when notified to retire to a point 10 kilometres from the bridge in order to ensure the repair.

The Japanese reinforcement rushed to the scene of the clash and staged an effective counter-attack aided by airplanes that played a stellar role in repulsing General Ma's forces. It was in this campaign that Flight-Lieutenant Ohari of the Japanese Air Force was greeted with a rain of bullets while scouting over the neighbourhood of Taku-shan and received a bullet in his thigh.

Reinforced after a grueling fight, the Nippon troops around Taku-shan to the north of the Non River launched a general drive on the Heilungkiang forces and occupied the second position of General Ma's forces at Taku-shan by the morning of November 6. According to the eye-witness, some Russians clad in Chinese officers' uniforms were found among General Ma's troops. The Heilungkiang forces retreated to Angangchi where they are awaiting an opportunity to stage a counter-attack reinforced by the Harbin army of Heilungkiangites.

This in 'Civilized' China

There are hundreds of photographs of the victims of atrocious tortures inflicted by Chinese soldiers on defenceless Chosenese men, women and children, too revolting for reproduction.

Such pictures as those showing a Chosenese child, three years old, with the fingers of his left hand chopped off, a Chosenese farmer's body mutilated beyond recognition—such pictures as these of outrages perpetrated, not by bandits, but by Chinese soldiers in uniform would shock all humanity.

Still China is enjoying the benefit of the doubt at Geneva and is accorded the full status of a "civilized" country.

Japanese Protect All Foreigners

On the contrary, the Japanese troops which were finally forced to accept the Chinese challenge at the end of repeated provocations are guarding the national dignity and the lives and property of Japanese as well as FOREIGNERS at the risk of their own lives and under most trying conditions.

Many heroic deeds were accomplished by the gallant soldiers. Each and every one of them is the incarnation of patriotism and loyalty. Where an advance was necessary, they dared no matter how pitifully outnumbered they might be in utter defiance of death. The rank and file of the Japanese troops were so full of courage that it is said that at times, commanders and officers rather had a hard time to hold them back.

Some of them, for instance, crawled up as near as 50 metres in front of the opponents and tried to balk the opponents' advance with a machine gun. And when they ran out of ammunition, they jumped into the Mukdenites with sabres and bayonets. One of them came back to his company with six bullets in his body and breathed his last when he found himself among his comrades. Some of the medical corpsmen rescued wounded soldiers under a rain of bullets, while some met the opponents' volleys at Peitaiyung with a gun captured from them.

Sergeant Sekito, amid a hail of bullets, smashed in the gate of the Peitaiyung barracks. And no sooner had the gate been opened, than he rushed Captain Kawasaki, who made good use of his sword on the Muk-

ing Manchurian Questions, signed at Peking, September, 1909, it is stipulated as follows:

"Article 3. In regard to coal mines at Fushun and Yantai, the Governments of Japan and China are agreed as follows:—

"a. The Chinese Government recognizes the right of the Japanese Government to work the said coal mines.

"b. The Japanese Government, respecting the full sovereignty of China, engages to pay to the Chinese Government a tax on the coal produced in those mines, the rate of such tax to be separately arranged on the basis of the lowest tariff for coal produced in any other part of China.

"c. The Chinese Government agrees that, in the matter of exportation of the coal produced in the said mines, the lowest tariff of export duty for the coal of any other mines shall be applied.

"d. The extent of the said coal mines, as well as all the detailed regulations, shall be separately arranged by Commissioners specially appointed for that purpose."

Japan's Monopoly

By virtue of the foregoing agreement, the development of these two coal mines now belongs to Japan's monopoly right and is one of the important treaty rights of Japan.

Just recently, the Finance Office of the National Government of Nanking notified Japan that the duty on the export of Fushun coal to Japan and elsewhere should be increased on and after June 1, 1931, but this is evidently an outrageous attempt to destroy unilaterally what is provided in Article 3 of the foregoing Sino-Japanese Agreement Regarding Manchurian Questions.

The Japanese Government has naturally strongly protested that Nanking's notice amounts to encroachment upon Japan's important treaty right as well as oppression of the South Manchuria Railway Company's enterprise.

According to Article 4 of the agreement, Japan may work all the mines along the Antung-Mukden Railway under the joint investments of Japanese and Chinese capital, but a protest has been made by the United States with the result that this cannot be called an exclusive right of Japan.

Acquires New Rights

By virtue of the Sino-Japanese Treaty Respecting South Manchuria and Eastern Inner Mongolia (1915),

Japan obtained the right to prospect or work promising mines in the Province of Fengtien (Mukden), and in the southern part of Kirin. The mines concerned are nine in all, mainly coal mines, not including districts already prospected or worked.

In practice, however, the local Chinese Government does not allow the Japanese to prospect or work these mines, taking advantage of their domestic mining law. The only exception is the Anshan iron mine which is now being worked. As regards the few mines now worked under the joint management of the Japanese and Chinese, the Penchiu iron mine is the most prominent.

In Article 10 of the Sino-Japanese Treaty Relating to Manchuria (1905), it is provided:

"The Chinese Government agrees to a joint stock lumber company of Japanese and Chinese being formed with a view to carrying on the business of cutting lumber in the forests on the right bank of the Yalu. The Chinese Government further agrees that the area of land where the business will be carried on, the term of charter, the process of formation of the company, and the articles of business, will be determined in a special agreement. The interest in the company of the Japanese and Chinese shareholders will be equally divided."

Yalu River Sino-Japan Company

On the basis of this agreement, the terms and regulations of the Yalu River Sino-Japanese lumber company were drafted in 1908. The company was then named the Yalu River Lumber Felling Company. Its capital amounting to 3,000,000 yuan was raised in equal parts by the Japanese and the Chinese. The enterprise was to continue for a period of 25 years with the understanding that the business should be further extended at the expiration of that term, provided the Chinese Government considered the company has carried on its business properly.

So far, the enterprise has been carried on smoothly, but the initial term of its business expires within a few years.

In August, 1918, the Chinese Government concluded a contract with the Chunghua Huihui Bank by virtue of which it obtained a loan through this bank from the Industrial Bank, the Bank of Taiwan, and the Bank of Chosen to the amount of ¥30,000,000, offering as securities the gold mines and forests as well as the in-

(Continued on Page 8)

M. O. D. 12-18-75

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Japan's Delegate Faces Strenuous Work at League Council in Upholding Rights of Empire

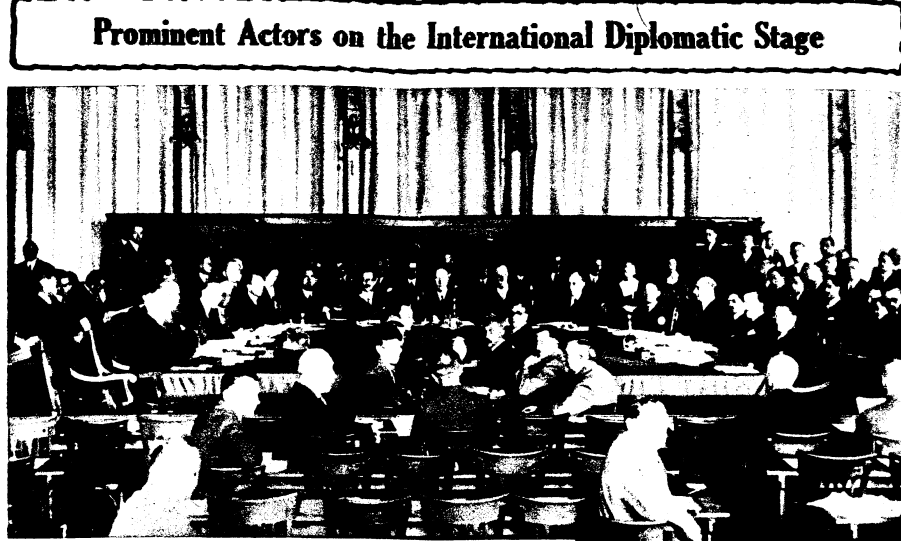
Prominent Actors on the International Diplomatic Stage



Mr. Aristide Briand
French Foreign Minister
Chairman of Council



Col. Henry L. Stimson
Secretary of State, U.S.A.



The 64th Session of the League Council Taking up the Manchurian Incident, September 19, 1931. From L to R: centre, Chairman Lerroux, Spanish Foreign Minister; Secretary-General Sir Eric Drummond, Lord Robert Cecil, British Delegate; and Ambassador Yoshizawa (marked o).



Mr. Prentiss Gilbert
U.S. Consul-General, Geneva
Observer at Council



General Charles G. Dawes
U.S. Ambassador to Britain



Mr. Shigeru Yoshida
Ambassador to Italy
Both Counsellors to Mr. Yoshizawa at Council



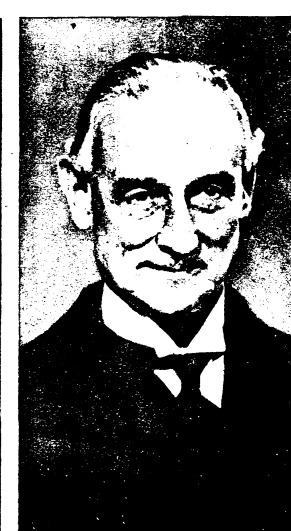
Mr. Tsuneo Matsudaira
Ambassador to Britain



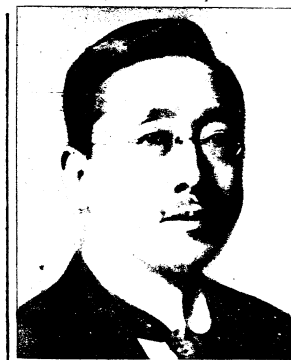
Mr. Kenkichi Yoshizawa
Ambassador to France
Japan's Delegate to the Council



Sir John Simon
British Foreign Secretary
Delegate to the Council



Lord Reading
British Foreign Secretary
(Now retired)



Dr. Alfred Sze
Chinese Minister to Britain
China's Delegate to the Council

A Brief Survey of the League Council Sessions, Geneva, September 19 to October 24, Where Delegate Yoshizawa Had to Fight the Pernicious Influence of Chinese False Propaganda And Misconception of the Situation, Due to Lack of Proper Knowledge on the Part of Council Members.

At the time when the first clash between the Chinese and the Japanese troops occurred at a point on the South Manchuria Railway, the Assembly of the League of Nations was in session at Geneva. The news came like a bolt from the blue. The leaders of the League as well as the delegates of the member States assembled were taken by surprise. The matter was immediately taken up by the Council through request of the Chinese delegate. The Chinese delegate furnished all the data he could manage to gather and on the basis of the information so offered, the Council proposed to pass its judgment on the question.

The official information from the Japanese Government was somehow greatly delayed. By the time it reached the Japanese delegation the Assembly had already formed its own opinion of the issue for Chinese edification. Once anybody formulates his notions of a matter it is rather difficult to correct them. The Japanese official report presented with full sense of responsibility fell almost upon deaf ears.

The minds which once were misled to a belief that Japan was forcing a war upon China—that she was conducting an aggression upon her neighboring State—could not be eradicated. This wrong impression has persisted subsequently and even unto this day in the minds of the League's authorities and prevents them from seeing the facts as they are.

For this unfortunate circumstance the Japanese Government is to blame in part, in that it failed to present facts in time. The Chinese Government also cannot escape censure for submitting all sorts of baseless stories conducive to a derogatory impression of the Japanese actions in Manchuria. We cannot, however, get away from the impression that men who are in

a position to deal with international questions from an impartial, detached point of view should be slightly more independent and unbiased in their attitude in considering the vital questions between China and Japan.

It is not permissible for the authorities of the League to be guided in such weighty undertaking by their abstract preconceptions formulated by the skillful insinuation of one of the parties in dispute. It is inexcusable indeed that they should slight the representations of a Government whose sense of responsibility is universally recognized; while placing full confidence in wild stories concocted for convenience by a Government whose unreliability is a matter of universal reproach.

The League Council took up the issue and even seemed at a time to blunder itself into a serious commitment but was saved by wise guidance of some of the more prudent members. Its activity was finally confined to passing a resolution advising the Governments in dispute to refrain under any circumstance from taking steps which might aggravate the delicate situation in Manchuria.

The salient features of the resolution were:

- (1) The Council recognized the importance of the Japanese declaration that Japan has no territorial ambitions in Manchuria;
- (2) That it noted the statement of the Japanese Government that it was withdrawing its troops to the railway zone in proportion as the safety of the lives and property of its nationals is effectively assured;
- (3) That it noted the Chinese representative's statement that the Chinese Government would assume responsibility for the safety of the lives and property of the Japanese nationals outside the railway zone

when the Japanese troops are withdrawn:

- (4) That the Council noted further that the Sino-Japanese representatives have given assurance that their respective Governments will take all necessary steps to prevent any extension of the group of incidents or any aggravation of the situation;
- (5) That the Council requests both Governments to furnish it with all the information available relative to the situation in Manchuria.

Both the Chinese and the Japanese Governments accepted the memorandum in good spirit. About a week after the Council had adjourned, however, there developed an unforeseen incident—that of the Japanese air force bombing the City of Chinchow on October 8. The bold action of the Japanese soldiers completely scared the Chinese nation.

Dr. Alfred Sze, the Chinese delegate at the League's Council, made an urgent request, in accordance with the Article 11 of the League's Covenant, for an extraordinary session of the Council. The Council accordingly met on October 13 and resumed the discussion of the Manchurian question.

Instead of Mr. Lerroux, the Spanish Foreign Minister who was to act as the chairman of the Council, Mr. Aristide Briand, the French Foreign Minister and the staunch defender of the League, assumed the chairmanship with the general approval of the Council. Mr. Briand recalled the resolution of September 30, whereby the Governments of China and Japan were advised to refrain from taking any steps to aggravate the situation and to do their utmost to restore a normal state of peace in the region.

He regretted, however, that the unfortunate conflict between troops of China and Japan occurred in different places, of which one at Chinchow was more serious because of the magnitude and character of the military operations conducted by the Japanese. He then called the Chinese delegate to present the Chinese side of the question.

With an unconcealed show of emotion the Chinese spokesman presented at length the opinion of his Government concerning the whole issue. He admitted that he was speaking with an almost irrepressible sense of indignation at what in his opinion was an open act of aggression by Japan. He told at length what had happened in Chinchow—how it was suddenly bombarded and how its inhabitants became terror-stricken. (It may be added here that the Chinese delegate Dr. Alfred Sze did not know where the city of Chinchow was situated and had all information about the city from Mr. Yoshizawa, the Japanese delegate).

He then assured that the Chinese had taken no action whatever that might provoke the Japanese. Trusting that the authoritative advice of the Council would induce Japan to abide by the terms of the memorandum, the Chinese maintained "dignified calmness" and strived to protect the Japanese citizens. Great, therefore, was the surprise of the Chinese when the Japanese troops undertook a further action of aggression against the "innocent" Chinese.

Talks Much, Says Nothing

The Chinese delegate further stated:

"The League Covenant and the Kellogg Pact are the two sheet anchors to which we have moored our ship of state. They are also the corner stones of the world-wide edifice of peace, and if they crumble, the edifice will collapse. It is likely that the nations who witnessed this tragic collapse of the Covenant and the Kellogg Pact at the first great test with all its dire consequences throughout the East—it is likely that those nations will assemble calmly at Geneva in February to discuss the disarmament."

"If we fail now, when America offers cooperation, and fail in February with disarmament, what chance have we for working out some form of permanent association, some provision for a conference under the Kellogg Pact to avert threats to peace, and if the East is plunged into

a state of turmoil what chance have we in securing effective cooperation over the financial and economic crisis that bears so heavily on the world?"

Yoshizawa Tells Why

In reply to the foregoing characteristic Chinese oration so high flown in phraseology and yet containing so little that are real and concrete, the Japanese delegate, Ambassador Yoshizawa, reviewed the history of the Manchurian problem and explained why the course of action which Japan had pursued was absolutely inevitable.

He pointed out that his country had twice risked her very existence to avert imminent peril to Chosen and Manchuria and she considered this region as closely bound up with her own destiny. Japan has no territorial ambition in Manchuria, but possesses there vital political and economic interests. She is moreover the defender of the principle of the open door in Manchuria, assuring peace and prosperity to nationals of all countries engaged in trade activities in the territory.

He mentioned how out of a wilderness Japan created, through tireless efforts and huge investment, an economic empire prosperous, cosmopolitan and peaceful. That the Chinese are enjoying the full share of the benefit is fully attested by the fact that within 20 years of Japanese enterprise, the number of Chinese living in Manchuria has more than doubled. Every year, nearly a million Chinese flow in from other impoverished parts of their country where pestilence, local disturbances, despotic rulers constantly oppress the inhabitants.

Having developed the neglected region at such enormous cost, Ambassador Yoshizawa went on, it is only natural Japan should feel bound to protect it against the wanton attempts of the Chinese at disturbing its order, destroying the costly enterprises, inflicting danger upon law-abiding citizens of foreign countries. It is Japan's right and duty to pre-

serve order and peace in the region where she has over \$2,000,000,000 of capital invested, where over a million of her nationals dwell. Seeing the place enjoying boundless prosperity, the Chinese must evidently have grown envious; they commenced various plots secret or otherwise having for their ultimate object the driving of the Japanese out of Manchuria.

For several years past, Mr. Yoshizawa explained, the rights and interests of Japan have been subjected to innumerable attacks. After taking over of power by the Nationalist Government, even responsible statesmen have openly allowed themselves to pronounce regrettable words asking for total suppression of the Japanese rights in Manchuria. The attitude of the authorities in the Northeastern provinces toward the South Manchuria Railway Company and the Japanese and the Chinese had been singularly provocative for some time past. The murder of Major Nakamura by the Chinese troops is only an expression of the insolent attitude of the Chinese people as a whole toward Japan.

Ambassador Yoshizawa continued to state that in the face of these provocations, the Japanese Government adopted an attitude of moderate conciliation, but it was inevitable that the national sentiment in Japan should be aroused and the public opinion demand a stronger attitude toward China. At this critical juncture the incident occurred which was the fatal prelude to the subsequent Manchurian trouble.

The attempts of the Chinese regular soldiers at destroying a section of the South Manchuria Railway track compelled the Japanese guards to take action and engage in battle with the bandits. There was a great danger of the unfortunate strife being rapidly aggravated as the news spread among the Chinese troops. There was no knowing what might follow if these troops were left free to perpetrate their outrages in the region where Japanese dwell in hundreds of thousands. Plunder, massacre and incendiarism are their usual practice when they have the chance to indulge in license.

Realizing the grave consequences that were imminent, the headquarters of the Japanese troops mobilized the guard forces and temporarily occupied the strategic points so as to forestall counter attack by the Chinese soldiers, numerically outnumbering the Japanese forces by 20 to one.

With reference to the bombardment of Chinchow, Ambassador Yoshizawa explained that it was purely a defensive measure. He stated that in order to observe the movements of the Chinese marauding troops which took refuge in Chinchow a number of military airplanes were dispatched. These airplanes were subjected to a heavy fire by the Chinese and were therefore forced to defend themselves by dropping bombs on the Chinese troops.

Ambassador Yoshizawa reiterated his Government's desire to enter into direct negotiations with the Chinese Government for settlement of numerous pending questions and with a view to prompt restoration of peace and order in Manchuria. Instead of showing a sincere wish to collaborate with the Japanese Government in this constructive enterprise, however, the Chinese have exaggerated their anti-Japanese movements, boycotting Japanese goods, inciting violence against the persons and properties of Japanese nationals, etc. He stated that these acts were clearly provocative

of war and contrary to the advice the League Council had given to the Chinese Government.

He emphasized the fact that Japan had been eager to withdraw her troops to the railway zone but had not been able to do so in view of the impending danger to her nationals. He said in conclusion:

"I have already declared in the name of my Government that it has a firm intention of withdrawing its troops within the railway zone as the security and the protection of our nationals are effectively assured. Under the circumstances the most essential and fruitful task of the Council is to seek first of all the means calculated to bring about the moral disarmament of the two nations. If the Chinese Government makes serious efforts to check the anti-Japanese agitation and draws up a common agreement with us such a nature as will permit the re-establishment of normal relations between the two nations, it will greatly contribute to bringing about the appeasement and relaxation of the situation and hence prompt the withdrawal of the troops."

Following this first and stormy sitting, the Council held a series of secret meetings, excluding the Chinese and the Japanese delegates in which it discussed the plan of inviting the American Government to send an observer to the Council. Eventually it was agreed to extend an invitation to Washington to that effect. The leaders of the Council did not apparently suspect that the step the Council had taken would encounter the opposition of either the Chinese or the Japanese Government.

The delegates of Britain, France, Italy and others who assumed leadership in the passing of the resolution were surprised by the strong attitude of Japan. They had imagined that the inclusion of the United States in the deliberations on the question would greatly add to the binding force of the League's decisions, and would even lead to the coveted entrance of America to the League.

They thought that the United States being such a powerful country Japan would never dare to oppose the American participation in the Council, which would surely mean a serious moral setback for Japan. Great, therefore, was their dismay when Japan "dared" what they had anticipated would be impossible.

Ground of Opposition

The ground of Japan's opposition was that the United States is not a member of the League; why then should she, alone of many other States not members of the League, be invited to sit on the Council just at this time when it is to discuss the question of Manchuria? Such a step, it contented, is contrary to the provisions of the Covenant of the League. Against this contention the Council members, notably the British and the French delegates, argued that the question is a matter of simple procedure and that it was wholly within the power of the Council to decide it.

Aroused by the arbitrary procedure of the Council, the Tokyo Government addressed a note of protest strongly pointing out the impropriety of the step the Council proposed to take. In part the note stated: "The Japanese Government has hitherto faithfully cooperated in the (Continued on Page 9)

Japan's Rights Explained

Yalu River Sino-Japan Company

(Continued From Page 7)

come derived therefrom in Kirin and Heilungkiang Provinces.

Under the conditions of the contract, it is provided that the gold mining bureau and the afforestation bureau be newly organized in these provinces and that Japanese experts be employed. The period of the loan extending to 10 years has expired, but nothing tangible has come out of these conditional proposals.

Judicial Issues

The Japanese consuls exercise jurisdiction over the lives and property of the Japanese residents in China by virtue of the consular court rights (extraterritoriality) provided in the Sino-Japanese Treaty of Commerce and Navigation concluded in 1896. The jurisdiction, however, concerns only the Japanese residing in the open ports in China as this treaty does not permit the freedom of the Japanese residing, conducting business, or going to and coming from places other than the open ports.

Following the conclusion of the Sino-Japanese

Treaty Regarding South Manchuria and Eastern Inner Mongolia (1915), generally known as the 21 Demands Treaty, however, the Japanese obtained the right to dwell in the Chinese district in South Manchuria and to carry on agricultural enterprises under joint management with the Chinese in eastern Inner Mongolia.

The conclusion of this new treaty naturally gave rise to the necessity of drafting regulations concerning the exercise of jurisdiction over the Japanese in places other than open ports.

The Japanese going to Inner Mongolia have thus come to share extraterritoriality in the same way as those in the open ports as a basic rule where civil law is concerned.

Peculiar Local Right

What might be considered a peculiar local right in Manchuria is the Japanese participation in the court proceedings in Hsientao when the cases concern the Chinese living there.

According to Article 4 of the Agreement Regarding the China-Chosen Boundary:

"The Korean (Chosenese) people residing on the agricultural lands within the mixed residence district to the north of the River Tumen shall submit to the laws of China and shall be amenable to the jurisdiction of the Chinese local officials. Such Chosenese people shall be accorded by the Chinese authorities equal treatment with Chinese subjects, and similarly in the matter of

taxation and all other administrative measures they shall be placed on an equal footing with Chinese subjects.

"All cases whether civil or criminal, relating to such Chosenese people shall be heard and decided by the Chinese authorities in accordance with the laws of China, and in a just and equitable manner.

"A Japanese Consular officer, or an official duly authorized by him, shall be allowed freely to attend the Court, and previous notice is to be given to the Japanese Consular officers in regard to the hearing of important cases concerning lives of persons.

"Whenever the Japanese Consular officers find that decision has been given in disregard of law, they shall have the right to apply to the Chinese authorities for a new trial, to be conducted by officials specially selected, in order to assure a just decision."

All the foreign post offices that functioned in China were closed at the end of December, 1922, as the result of the Washington Conference, and the Japanese post offices in Manchuria were no exception. It was decided, by virtue of the Sino-Japan Postal Agreement of December, 1922, however, that all the Japanese post offices within the leased territory of Kuantung as well as those in the South Manchuria Railway zone would be permitted to continue functioning as a tentative measure.

The right to have Japanese post offices within the S.M.R. railway zone is certainly a special privilege enjoyed by Japan, though it is nothing extraordinary that

the situation within the leased territory should remain unchanged.

Mention must also be made of the Sino-Japanese Telegraphic Agreement of 1909 which stipulates that the Japanese telegraphic system may be connected with that of the Chinese, and that the Japanese telegraph office may dispatch or receive telegrams to and from various parts of China via the Chinese system.

As regards the wireless service, Japan operates such a service in Dairen and it may be considered, judging by the Washington Treaty and additional statements, that Japan has acquired the express agreement of the Chinese Government thereto.

Other Treaty Rights

In addition to the foregoing, the following may be cited as Japan's treaty rights in Manchuria:

1. Japan may establish Japanese settlements at Yingkow, Antung, and Mukden. (Article 8 of the Sino-Japan Treaty Respecting South Manchuria and Eastern Inner Mongolia).
2. The right to request the protection of the tombs of Japanese officers and men killed in battle as well as that of the patriotic monuments in Manchuria. (Article 5 of the foregoing Treaty.)
3. Japan's priority rights as regards the Chinese invitation of foreign advisers to Manchuria. (Japan made it clear at the Washington Conference that she had no intention of firmly insisting upon this treaty right.)

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (B)
Department of State Letter, August 10, 1972
By MIA O. Gandy
NARS, Date 12-18-75

While League Council Considers Steps Toward Peace, China Goes on Provoking Japan

League Learns From Yoshizawa New Lessons on Japan And Manchuria

(Continued From Page 8)

enterprises of the League of Nations and has always made an effort to enhance the dignity of the League. It holds the opinion that the action of the League should be strictly in accordance with the stipulations of the Covenant and should be careful and just. For the League to be influenced by the consideration of its temporary convenience and to disregard the stipulations of the Covenant cannot be regarded as calculated to uphold the dignity of the League.

"When the question of inviting the United States to send an observer to the League Council was taken up by the Council, the Japanese representative expressed his doubts as to whether the presence of an observer from a non-member nation would be in accord with the stipulations of the Covenant.

"The Council has not completed its deliberation on these points but the president in disregard of the Japanese proposal that the matter be referred to a committee of legal experts, ruled that the legal consideration should be deferred until a later date and at once announced that the voting on the matter was in order.

"It has been pointed out that the United States being the initiator of the Treaty for Renunciation of War should be allowed an opportunity to voice her sentiment in the Council, in so far as this concerns the matters pertaining to the stipulations of the treaty. The Japanese Government firmly believes that there is no danger of the present state of affairs leading to war between China and Japan.

Not only that, the Treaty for Renunciation of War is one to which scores of nations, including non-members of the League are parties. Is it, then, proper to allow an American observer alone to attend the Council session? This issue is liable to create a difficult situation.

Virtually ignoring Japan's reasonable protest against the deviation from the rules of the Covenant, the Council proceeded on its own course of action and extended an invitation to Washington. The American Government accepted the invitation and appointed Mr. Prentiss Gilbert, the American Consul-General in Geneva, as the observer. In doing so, the State Department took special pains to emphasize the point that the American participation was confined to that part of the Council's procedure which has direct bearing upon the enforcement of the Kellogg Pact.

U.S. Participation

The question of the American participation in the Council having been settled for the time being in the way the League wished, the Council resumed the discussion of the Manchurian question. At the secret meetings held excluding the Japanese and the Chinese representatives and attended by representatives of 13 countries, including the United States, the Council adopted four tentative decisions as basic principles to be observed by the parties concerned. These were:

1. The Japanese troops in Manchuria should retire to their original positions as the first step for the solution of the question, prior to direct negotiations between China and Japan.
2. China should make a promise to respect the existing treaties.
3. The League Council should take effective steps for the solution of the question according to the provisions of the Kellogg Pact.
4. World public opinion should be mobilized to exercise moral pressure on the parties involved.

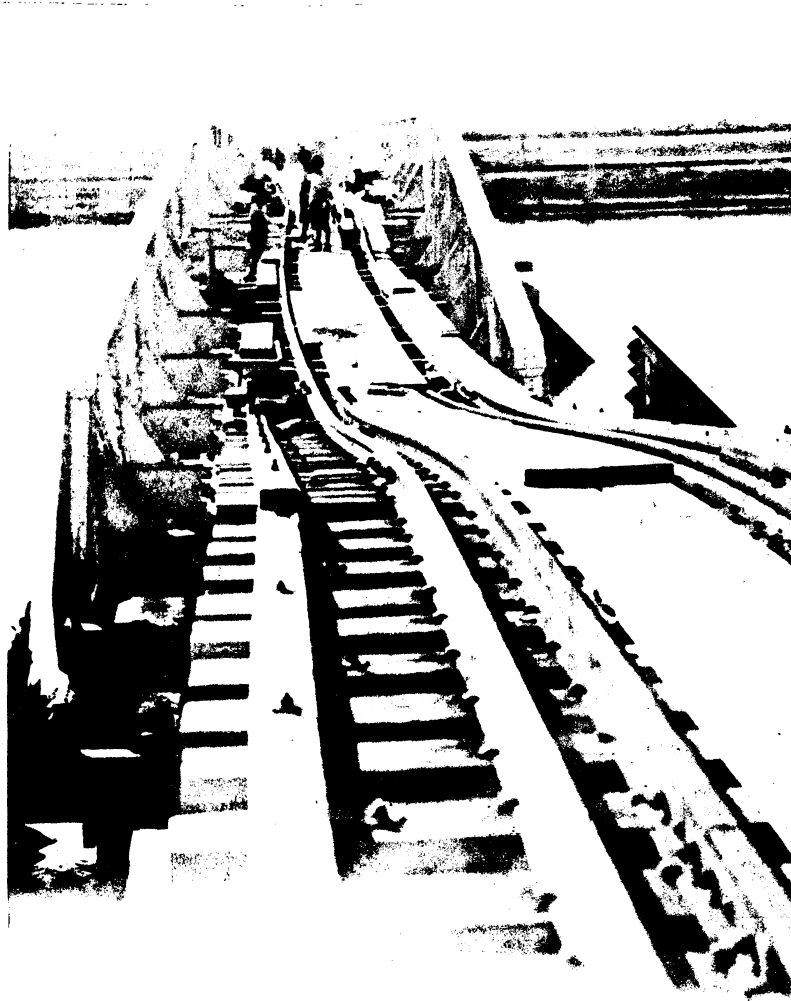
It is evident that the first of these decisions runs counter to the intention of the Japanese Government. It later transpired that this proposal was strongly urged by the British delegation. The second item was to court Japan's satisfaction, but it was certain that the Chinese would not acquiesce to it. The third item was intended to give meaning to the American participation in the Council as well as to aid in the settlement of the whole Manchurian question. The fourth item, of course, was to enhance the League's dignity and to reinforce the binding power of its decisions.

Yoshizawa's Statement

Having reached accord on the foregoing proposals, the Council announced that it would discuss them in full sessions including the delegates of China and Japan. Prior to the announced meetings, Delegate Yoshizawa submitted a formal statement in which he foreshadowed the attitude of his Government vis-a-vis the new proposals.

In this statement the Delegate expressed his Government's satisfaction with the Chinese promise to guarantee the security of the lives and property of the Japanese subjects domiciled in Manchuria, but pointed out that Japan could not entirely rely upon the promises of the Chinese Government, which had proved empty on so many occasions in the past.

For example, the Chinese delegate had declared that his Government had issued an order to stop anti-Japanese agitation throughout the country. The order may have been issued, but the fact remained that the same



Good Object Lessons: Left, The bridge on the Non River which the Chinese destroyed and which Japanese troops had to repair under the treacherous fire of a motley crowd of uniformed bandits. Right, The steps to the front entrance of the building of



the Sino-Japanese Culture Society at Harbin after the explosion of a bomb on September 24 set by a Chinese mob. Some seem to expect Japan to look on with folded arms at this outrageous vandalism on the part of the Chinese.

movements continued with growing intensity.

The security of the Japanese nationals is a matter of vital importance which could not be safely entrusted to a government whose pledges have carried so little weight. If the Chinese Government was really earnest in its solicitation of peace, the Japanese statement specified, it must first of all stop hostile actions against the Japanese troops, and show sincerity in respecting their provisions. The matter of foremost importance, Mr. Yoshizawa declared in conclusion, was not the question of withdrawal of Japanese troops mobilized to preserve peace and order, but was that of effective protection of Japanese nationals exposed to danger of the hostile Chinese.

In the meantime, the Signatory Powers of the Kellogg Pact addressed identical notes to the Tokyo Government expressing their deep concern at the restless situation in Manchuria and hoping for the prompt and amicable settlement of the dispute. To these Powers the Japanese Government sent a reply which stated as follows:

Protective Measure

"The Japanese Government realizes as fully as any of the other Signatories of the Pact of Paris the responsibility incurred under the provisions of that solemn pact. It has made it clear on various occasions that the Japanese railway guards in taking military measures in Manchuria since the night of September 18 last have been actuated solely by the necessity of defending themselves as well as protecting the South Manchuria Railway and the lives and property of Japanese subjects against the wanton attacks by Chinese troops and armed bandits.

"Nothing is further from the thoughts of the Japanese Government than to have recourse to war for the solution of Japan's outstanding differences with China. It is the Government's settled aim to compose those differences by all pacific means. In the note of the Japanese Minister of Foreign Affairs to the Chinese Minister at Tokyo dated October 9, the Japanese Government has already declared its readiness to enter into negotiations with the responsible representatives of China for an adjustment of the present difficulties.

Same View Held

"It still holds to the same view. So far as it is concerned, it has no intention whatever of taking steps that might hamper any efforts intended to assure the pacific settlement of the conflict between Japan and China. On the other hand, it has repeatedly called the attention of the Chinese Government to the organized hostile agitation against Japan now in progress in various parts of China.

"The suspension of all commercial intercourse with Japanese at present practised in China is in no sense a spontaneous act of individual Chinese. It is enforced by anti-Japanese organizations that have taken the law into their own hands and are heavily penalizing, even threatening with capital punishment, any Chinese who may be found disobeying their arbitrary decrees.

"Acts of violence levelled against Japanese residents also continue unabated in many places under the jurisdiction of the Government of Nanking. It will be manifest to all fair observers of the actual situation that those activities of the anti-Japanese organizations are acquiesced in by the Chinese Government as a means to attain the national end of China.

"The Japanese Government desires to point out that such acquiescence by the Chinese Government in the lawless proceedings of their own nationals cannot be regarded as being in harmony with the letter or the spirit of the stipulations contained in Article 11 of the Pact of Paris."

Asks For Impossible

The League Council in its session of October 22 discussed the earlier decisions and on the basis of these decisions formulated a resolution which, taking note of the declaration of the Japanese Government that it had no territorial ambitions in China, that it is prepared to withdraw its troops as soon as the safety of its citizens is assured, and the Chinese Government pledges to carry out all the necessary measures for this latter purpose, recommended that "the Japanese Government begin immediately and proceed progressively with the withdrawal of its troops into the railway zone so that the TOTAL WITHDRAWAL MAY BE EFFECTED BEFORE THE NEXT MEETING OF THE COUNCIL."

The Japanese delegate opposed the draft resolution on the ground that it was totally impossible to promise the withdrawal of troops before the specified date, since the actual situation in Manchuria did not warrant such a consummation. Mr. Yoshizawa, however, was subjected to a series of sharp questions by other members of the Council as to the reason why his Government was unwilling to abide by the "reasonable" request set forth in the draft resolution.

Mr. Yoshizawa did his best to clarify the position of his Government, but his efforts proved in vain. The Council put the resolution to the vote with the result that it was supported by 13 votes against one of Japan. The 13 members who voted for the resolution were representatives of Poland, Peru, the Irish Free State, Panama, Guatemala, China, Yugoslavia, Spain, Germany, Italy, France, Norway, and Britain.

Unanimous Vote Needed

Inasmuch as a resolution of this sort requires a unanimous vote in order to go into effect, Japan's opposition barely checked its immediate enforcement. Nevertheless, the national opinion in Japan was greatly aroused over the apparent show of hostility by the Council against Japan. The Tokyo Government felt called upon to issue a public statement and declare Japan's position in the Manchurian question once again.

On October 26—two days after the Council had adjourned—it issued the public declaration, the gist of which was as follows:

1. The League Council's draft resolution and Japan's counter-proposal relative to the questions pertaining to the commencement of direct Sino-Japanese negotiations and the withdrawal of the Japanese troops to the South Manchuria Railway zone, failed to pass the League Council.
2. The responsibility for the Manchurian incident, as repeatedly declared by Japan, rests with China, because it was caused by the lack of discipline in the Chinese Army.

The stationing of a small number of Japanese troops in Manchuria was and is urgently necessary for the protection of the lives and property of the Japanese residents.

Nothing is further from the thought of the Japanese Government than employing military force in the settlement of the Sino-Japanese controversy and the stationing of Japan's troops in Manchuria does not, in the

least, mean a coercive method in the settlement of the dispute.

3. Unfortunately, of late the movement for the recovery of state's rights has reached the extremity of radicalism in China and the anti-Japanese movement has been and is being propagated even by means of textbooks for various grades of the schools in China.

In utter disregard of history and the treaties, China has been resorting to methods destructive to the existing treaties with Japan.

Judging by history and the present chaotic conditions in China, it is a matter of certainty that the withdrawal of the Japanese troops to the South Manchuria Railway zone at this juncture would create a situation still worse.

4. In order to protect the lives and property of the Japanese nationals in Manchuria, the Japanese Government deems that there is no alternative other than to dispel the mutual animosity and suspicion between the two countries.

Accordingly, the Japanese Government drafted five basic principles and presented a memorandum to the Chinese Government through the Chinese Minister in Tokyo on October 9 and also reported to the League that the Japanese Government was then ready to commence direct negotiation between China and Japan.

The five basic principles, on which Japan wants to negotiate, are:

- a. Mutual renunciation of any action and policy of aggression.

b. Japan's respect of the territorial integrity of China.

c. The effecting of a thoroughgoing restriction of the organized Chinese movement intended to arouse mutual animosity and antipathy among the two peoples and of the similar movement hindering the

mutual freedom of trade and commerce.

d. The taking of measures for the protection of all peaceful enterprises by Japanese nationals in various places in Manchuria.

• Definite observation of the rights acquired by Japan through treaties.

The foregoing basic principles, the Japanese Government believes, are compatible with the object and spirit of the League of Nations and are the basis for the realization of permanent peace in the Far East.

The reason why the Japanese Delegate in Geneva did not take up the particulars of the basic principles as a subject for discussion was that the Japanese Government, by their very nature, deemed them to be the matters to be discussed and settled directly between China and Japan.

5. It is high time that both China and Japan should strive for the restoration of amicable relations by proceeding on the road of mutual concession based on the principle of live and let live. For this purpose, the Japanese Government is prepared to negotiate with China for the conclusion of an agreement on the basic principles stated.

With this, the stormy session of the Council was closed until November 16. A few days later, however, the Japanese Government was surprised to receive a note from the Nanking Government requesting the delivery of the occupied zone in accordance with the resolution adopted by the League Council. Japan had understood and the League itself had understood that the resolution did not go into effect because it failed to obtain the necessary unanimous vote.

The Chinese message stated: "As mutual animosity and antipathy among the two peoples and of the similar movement hindering the

peace and order therein after the withdrawal of the Japanese troops, it desires to open direct negotiations regarding the withdrawal of the Japanese troops." The Foreign Office turned down the Chinese overture for direct negotiation.

Situation Worse

The situation in Manchuria, in the meantime, has undergone no improvement. On the contrary, the increasing Chinese troops have gathered together at various strategic points and thence challenged the Japanese troops. Attacks upon harmless civilians domiciled in the interior of China have continued and every day has brought news of the brutal massacres of many of them, following plunder and incendiarism.

The Heilungkiang forces under the command of General Ma Chan-shan in particular have offered strong resistance against the Imperial Army and from time to time have inflicted heavy losses upon it. It is alleged that General Ma has the secret backing of a certain government. Under the circumstance it is entirely out of the question for Japan to consider the withdrawal of her troops from a region filled with disorder and confusion.

League Still at It

The League of Nations had not stopped its activity for the intervention of the Sino-Japanese conflict. On November 4 Eric Drummond, Secretary-General of the League, conveyed to the Ambassador Yoshizawa a note prepared by Monsieur Briand, the chairman of the Council, purporting to be the reply to the Japanese declaration of October 26.

The note stated that independently of the resolution voted by the Council, which retained full moral force, there was still before the Council a valid decision adopted on September 30, which also retained its power—a decision in which the Council noted the statement of the Japanese Government that it "will continue as rapidly as possible the withdrawal of the Japanese army, which has already been begun, into the railway zone proportionately as the safety of the lives and property of the Japanese nationals is effectively assured and it hopes to carry out this intention in full as speedily as possible."

After expressing the belief that the Chinese Government would live up to its pledges of safeguarding the lives and property of Japanese nationals after the troops are withdrawn, the note concluded by saying that the Japanese attitude is a violation of Article 10 of the Covenant of the League of Nations and Article 2 of the Paris Pact. It stated that the Chinese Government must not be forced to agree to any terms under the pressure of military occupation and that the Council looked confidently to the members of the League of Nations and the United States not to suffer the Covenant of the League and the Pact of Paris and the Nine Power Treaty of Washington to be trampled under foot.

The note was rather serious in its implication and in the concluding remarks. The Japanese Government accordingly sent a reply to the note of Mr. Briand dated November 7. The reply in part read as follows:

Having referred to Tokyo your communication under acknowledgment, I am now charged to assure you that my government has submitted it to their most serious consideration, and that they highly appreciate your sympathetic concern in the present situation in the interests of international peace and good understanding.

I am further instructed to convey the entire concurrence of my Gov-

ernment in Your Excellency's remark that the Resolution adopted by the Council of the League of Nations on September 30 remains in full force and effect. The Japanese Government is determined to carry it out in the letter and in the spirit, and it re-affirms its earnest desire to proceed to the withdrawal of the Japanese troops to the railway zone with the minimum of delay.

But the Resolution of September 30 consecrated the principle that effective security must at the same time be assured for the lives and property of Japanese subjects; and in the state of tension which at present unfortunately exists, it is not possible to hope that the withdrawal of the Japanese forces would immediately give place to a regime of settled peace and order under Chinese auspices.

Danger Ahead

Japan and China would simply be exposed to a speedy recurrence of untoward incidents. There can be no security for foreign residents, where hostile agitation against them is allowed to proceed, where efficient protection to them in their peaceful pursuits is denied by the local authorities, or where their treaty rights are systematically ignored.

Having regard to the actual conditions in Manchuria, the Japanese Government has regretfully been brought to the conclusion that the dangers involved in a precipitate recall of the Japanese troops could not be averted by measures of supervision, such as are in Your Excellency's note under review.

It is pointed out in your note that the first four points of the five fundamental principles mentioned in the Japanese Declaration of October 26 are virtually embodied in the proposition of October 24. Your Excellency, however, will no doubt perceive that the terms of that proposition are not sufficiently explicit or comprehensive to cover the full implications of the four points in question.

As regards the fifth point, viz., the guarantee of respect for Japanese treaty rights in Manchuria, the terms of the letter addressed to you on October 24 by the Chinese representative seem to give rise to a doubt whether it is in the contemplation of the Chinese Government to call in question the validity of some of the treaties constituting the basic embodiment of the relations between Japan and China.

It may be needless to state that the Japanese Government could not for a moment entertain such a contention. Nothing can be more destructive of the established order of the whole world than to permit any Power to challenge the binding force of treaties concluded with all the solemnity of international usages.

The Japanese Government trusts that it has made it clear that the five fundamental principles mentioned in the Japanese Declaration of October 26 are no more than those that are commonly observed in the intercourse of ordered communities with one another.

Unless and until an arrangement is reached between Japan and China on the basis of those principles no measure of security for the lives and property of Japanese subjects sufficient to enable the withdrawal of the Japanese troops to the Railway Zone can possibly be assured.

The Japanese Government believes that the course of procedure now indicated is in entire agreement with the Resolution of the Council of September 30. It is far from their thoughts to insist on the final adjustment of the whole series of pending questions between Japan and China as a condition precedent to the withdrawal of the troops.

Best Way to Solution

All that they urge upon China for the present is a frank recognition, by direct negotiations between the two parties, of the fundamental principles that should govern normal relations between any two nations. Such an accord will be a long step toward replacing the existing tension by a sense of stability between the peoples of the two nations, whose interest it is to be on the best of terms. One important fact which Japanese cannot overlook in the League's interference in the Manchuria issue is the element of international politics involved in it. The Chinese have always been known for their extraordinary talents in conducting propaganda and intrigues in politics and diplomacy. The interference of the League in the Manchurian question afforded a rare opportunity to the Chinese to utilize their diplomatic tactics to the fullest of their ability. They not only skillfully conducted propaganda to misrepresent Japanese motives, but they managed to enlist the tacit support of certain Governments.

The country which gladly permitted itself to be influenced by the Chinese maneuvers has been Great Britain. The British motive in being thus easily swayed by the Chinese insinuations and throwing her mighty influence on to the side of China is not known. Rumor has it that the British representative in China has entered into an agreement with General Chiang Kai-shek in which Chiang has promised certain special privileges to Britain as the reward for friendly considerations.

Of course the British Ambassador in Tokyo declared that the rumor was entirely baseless. On the other hand, some of the British papers have been loud in condemning Downing Street for being unduly friendly to the Chinese at the price of provoking hostile sentiment of the Japanese nation. While it is not certain to what extent this supposition is true, it would be a regrettable thing indeed, if taking advantage of the Sino-Japanese dispute, any third party tried to mould the situation to its own benefit. It was through such attempts that serious international troubles have occurred in the past. The League of Nations with its mission to maintain the peace of

(Continued on Page 11)

World—Manchuria—Japan

A land of boundless natural resources in the outskirts of civilization, lying in the path of competing national aspirations—that is the world's Manchuria.

A safety zone for the Empire's security, a life line for the national existence, a land for which her people have made the greatest patriotic sacrifice and upon which the nation's very economic future is staked—that is Japan's Manchuria.

The world may be forgetful, but can Japan ever blot from her memory the Sino-Japanese War—the three-power intervention—the Tsar's dream of a new empire—the Sino-Russian secret treaty—the Russo-Japanese War—the opportunities sought for America by Harriman, Knox, Straight, and Stevens—the British investment in the Peiping-Mukden Railway—the Soviet influence through the C.E.R.?

Once a personal possession of the Manchu emperors and never ruled as a part of China proper, a hunting ground for roaming bandits, a territory nearly sacrificed to the Tsar, and a haven under Nippon's protection for the millions of China's civil-war ridden people migrating from the South—that is China's Manchuria.

When the Powers signed the Washington Treaty, the League Covenant, and the Kellogg Anti-War Pact, was it their aim to undo the 20 long years of development and cultivation in Manchuria brought about by Japanese tenacity and perseverance?

Peace in Manchuria must be founded upon righteousness. If the world stands for justice, its paramount obligation is to locate a point of harmony between China's territorial integrity and Japan's rightfully acquired special privileges.

Manchuria must be restored, not back to the state of affairs as on September 18, 1931, but to the condition of peace and security guaranteed by the very treaties with which the Powers and China are trying to handcuff Japan.

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Department of State Letter, August 10, 1972
By MIA/O. Burt/Son NARS, Date 12-12-75

10112

Elaborate Oratorical Frills by Chinese Fail to Erase One Single Cold Fact of Vandalism



Japan's Forbearance Alone Permits Insolent Chinese Armed Bandits to Go About Threatening Defenceless Japanese Nationals

A Cursory Glance at China Proper Shows the Rampancy of the Anti-Japanese Movement in All Its Ugliness. Despite Nanking's Assurance to the League Council That China Is Protecting the Lives And Property of Japanese Nationals.

China's anti-Japanese activities have gone from bad to worse in China Proper since the outbreak of the Manchurian incident, although in Manchuria, the Chinese attitude is somewhat restrained because of the presence of Japanese troops. Farther south, in remote towns and villages, the Japanese are regarded with suspicion and hostility. The following report, consequently, concerns itself exclusively with the developments in China Proper during the first week or so after the outbreak of the incident at Mukden, stating the cases city by city, and at the same time the number of the Japanese residents in these cities.

Peiping

(Japanese population: 1,576, including 1,209 Japanese, 319 Chinese, and 48 Taiwanese.)

The students held an anti-Japanese mass meeting at the Peiping Military Academy on September 18, 1931, and organized what they called the Military Academy's Anti-Japanese National Relief Society. They dispatched a circular telegram to all the military organizations of the Republic, advising them to call off their civil war and to ask the Nanking Government for permission to take part in the anti-Japanese military operations. They also passed a resolution to advise the Japanese instructors to resign.

Students of other schools also held anti-Japanese mass meetings at various parts of the city to arouse the people with the result that there are several secret societies in which Japanese are hated.

The Peiping Chamber of Commerce, on September 22, held a conference and passed a resolution to carry out a thoroughgoing rupture of the economic relations with Japan by suspending all further transactions with the Japanese, sealing the stock of Japanese goods on hand, and also by not selling Japanese merchandise even if it was asked for.

Another mass meeting of students was held on September 24, and passed a resolution to sever all relations with Japan. The international relationship between Japan and China should be severed. China should assume a strong independent policy. A big anti-Japanese policy. A big anti-Japanese policy. A big anti-Japanese policy.

Tientsin

(Japanese population: 6,510, including 2,009 Japanese, 4,501 Chinese, and 13 Taiwanese.)

A mass meeting was held in the German Consulate on September 23, at which the Japanese residents in this city were distributed all over the city in suddenly increasing numbers, and the anti-Japanese sentiment against the Japanese showed a steady increase on and after September 23, indicating that the resolution of the Anti-Japanese National Relief Society could not be considered lightly.

At the Shanghai students' mass meeting held on September 24, a resolution was passed that Chinese troops should be sent to the Three Eastern Frontiers to drive the Japanese forces out of the territory. Another anti-Japanese Student People's mass meeting was held on September 26 and invited latter feeling against Japan by creating extremely drastic anti-Japanese slogans.

(Japanese population: 20, including 138 Japanese, 13 Chinese, and 59 Taiwanese.)

A party of uniformed students of the Nanking Military Academy in troop formation went about putting up anti-Japanese posters in the principal business centers of the city on September 20. The people having been led to believe that a large number of Chinese were murdered by the Japanese in Mukden, their sentiment toward the local Japanese residents grew decidedly antagonistic.

The Japanese were absolutely prohibited from using the Nanking-Shanghai long distance telephone. General Chiang Kai-shek, head of the National Government of Nanking, issued following a number of conferences to assume a strong attitude in the diplomatic intercourse with Japan, to strengthen the condemnation within, and even to sever relations with Japan if necessary. Meanwhile, he asked for the support of his policy through the Nationalist Party's anti-Japanese activities and by issuing the public statement against Japan. For instance, he decided to send influential men abroad to win the favor of Europe and America to appeal to the League of Nations and to restrict the Japanese activities by signing a special peace policy.

With the nationalistic sentiment of the Central Party, Nanking people's mass meeting was promoted under the joint auspices of the Chinese Nationalist Party.

The Japanese military operations were being more and more resented. In this connection, however, no explanation is sufficient if it failed to prevent some of the heinous crimes committed by the Manchukuo troops, which even suggested some have been directed to the Japanese. The district which suffered the heaviest damage by bombing and massacre was a large, including Nanking and Dushanbala in which German and French troops took refuge from the Japanese. The Japanese troops had been directed to the city for the purpose of a mass meeting. The Japanese troops had been directed to the city for the purpose of a mass meeting.

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(Japanese population: 38, including 26 Japanese, 10 Chinese, and 2 Taiwanese.)

The public sentiment having developed from bad to worse in Hangzhou against Japan, all the Japanese residents headed by the consul withdrew to Shanghai.

(Japanese population: 80, including 26 Japanese, 10 Chinese, and 2 Taiwanese.)

In view of the threatening developments in this city, all the Japanese residents were prepared to leave soon after the outbreak of the incident, and the photograph of H.M. the Emperor given to the Japanese consulate was removed to the Japanese consulate in Tokyo at once.

(Japanese population: 1,309, including 1,008 Japanese, 21 Chinese, and 15 Taiwanese.)

The anti-Japanese activities of the Chinese were not restricted by the fact that the territory is under Japanese jurisdiction. Since the outbreak of the Japanese attacks on and after September 23 in which the houses were damaged and the merchandise destroyed, the Japanese on the street were frequently beaten by the Chinese. British troops were then mobilized to suppress the outrages, but without much avail. Consequently, part of the Japanese community found it wise to leave Hongkong.

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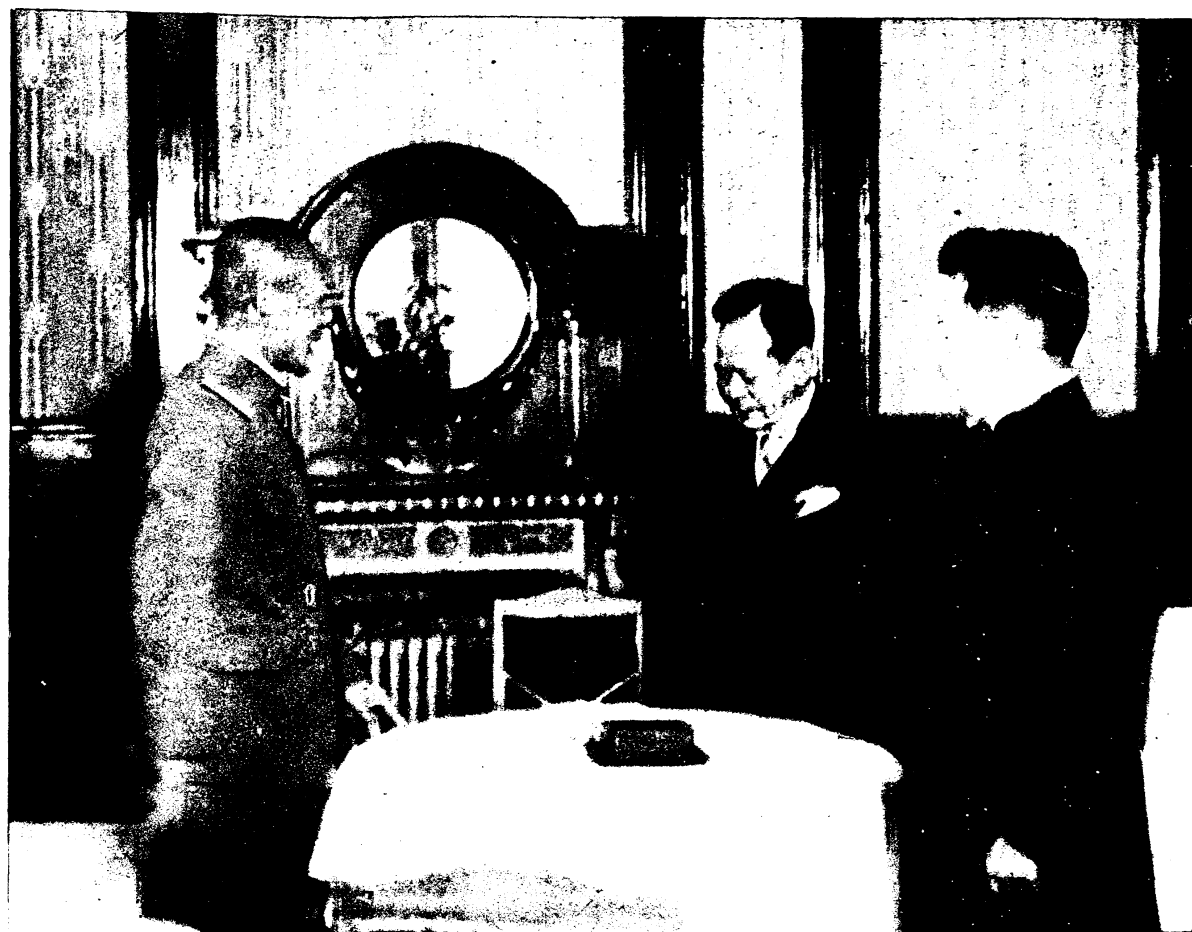
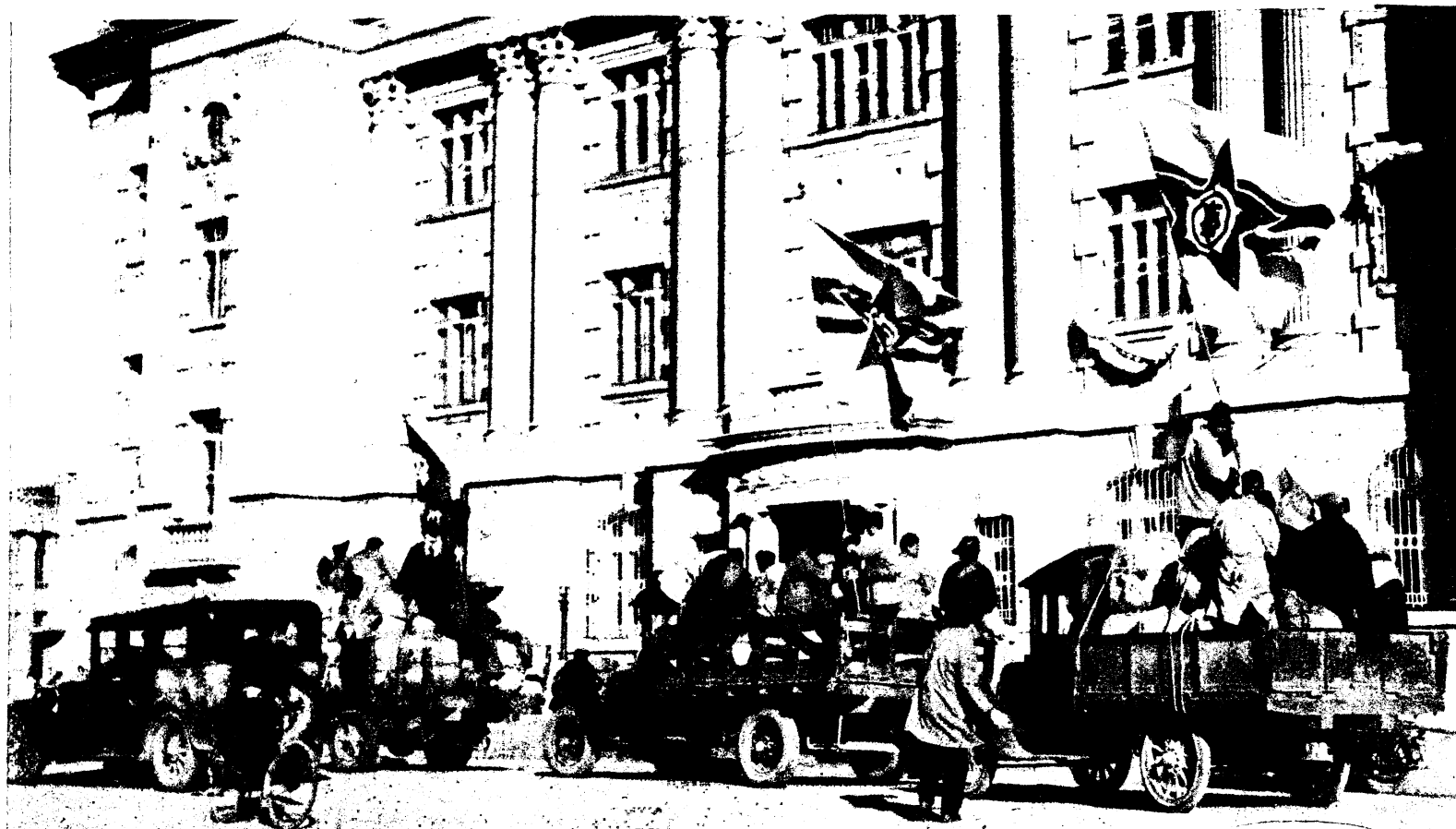
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0113

M. J. O. Shufeldt

12-18-75

In China Lawlessness Is Law, Mob Rule Is Rule— And Even Common Decency Is Cast to Winds



Why Manchuria Should Be Independent

Noted Scholar Shows That China Really Has No
Historical Ground For Claiming Country as Her Own

By Ni-ichi Yano, Dr. Litt.
Professor at Kyoto Imperial University



Dr. Ni-ichi Yano

Manchuria is not part of China. Strange as this remark may sound, the contention is well supported by substantial evidence and irrefutable historical facts, according to the opinion of Mr. Ni-ichi Yano, Dr. Litt., of Kyoto Imperial University, one of the best known authorities on Oriental (especially Chinese) history.

In view of the revival, and possible success, of the campaign for an independent Manchuria and Mongolia, a campaign which was often attempted and has quite as often failed up to now, the views herein stated by so prominent an authority as Dr. Yano why Manchuria and Mongolia are entitled to be independent of so-called China should be of timely interest.

What the learned scholar declares should prove a revelation to the Western people as it should to a majority of the Japanese as well.—Editor.

Historically, the greatest majority of the Chinese had no clear conception as to the relations between China proper and Manchuria and Mongolia. In fact, they did not realize what the relation was. They never knew that Manchuria was not governed by China in the sense we understand the term. Manchuria was a special territory under the direct control of the Qing (the last) dynasty, reserved for the Banner-men of Manchuria. As such, it was placed under special regulations, with the sole purpose of benefit for these Banner-men. In the days of the Qing dynasty Manchuria (and Mongolia as well) was a territory of the Qing Emperors but was not territory of China.

Subtle Distinction

This subtle distinction is a vital point in distinguishing the peculiar position of Manchuria and Mongolia. When a Qing Emperor administered over Mongolia, he did so as Bogdo Setzen Khan (the Great Emperor of Mongolia). The Chinese, as a rule, were barred from this Imperial reservation. It was a land

specially reserved for Manchurian Banner-men and what Chinese there were, were permitted under some extraordinary circumstances.

These Banner-men, the ruling aristocrats of the land, were skilled in martial arts; they were expert riders and skilled in archery, and depended on fishing and hunting for a living. They had no knowledge about agriculture, industry or commerce. Up to the time of the downfall of the Qing dynasty, these Banner-men were prohibited to engage in any sort of commercial enterprise.

During the days of the Qing Emperors, the Imperial authority extended over Manchuria and Mongolia. Especially was this so when Russia, in carrying out her Eastern policy, made her presence acutely felt by the Chinese. In order to be prepared against any aggressive invasion of the Russians, it became necessary to send large numbers of Chinese experts and workers pertaining to land and water defence about the Manchurian borders.

By these military necessities, Manchuria in those days saw an unprecedented influx of the Chinese and consequent development of the land in many ways. These Chinese included many who went there to work as servants to these Banner-men. Except for such special occasions, the land was closed to outsiders. That Manchuria was reserved for the Banner-men was one great fact throughout the Qing dynasty.

Foreign travellers of these days, from the 18th century toward the 19th century, all recognized Manchuria as a territory sui generis. The Jesuit missionary Verbiest of Belgium at the beginning of the Qing dynasty, or also the Jesuit missionary Gerbillon of France who was a favourite of the Qing dynasty and accompanied an Emperor to Manchuria on a tour, or Rinzo Maniya, a noted Japanese explorer who went as far as to the Amur River early in the 19th century, recognized that Manchuria was a land for Manchurians and controlled by Manchurians and designated as such in their books.

Manchuria was called East Tartary at first. Since the days of the Ming dynasty (preceding the Qing dynasty), Mongolians were called Tartars and there was no distinction between Manchuria and Mongolia. What is called today Manchuria, situated east of Mongolia, was popularly known as East Tartary.

The differentiation between the Manchurians and Mongolians according to ethnological characteristics belongs to a much later date.

In 1820 the famous French scholar Klaproth visited Peking (then Peking) with a Russian mission. In a book he published the same year he described the region as "das Land der Mandchus" (the land of Manchus). About the middle of the 19th century, the English people for the first time used the term Manchuria, the German Manchurie. From about that time the Japanese began calling the country Manshu (Manchuria).

The name was applied by these people after it was fully recognized that it was a land inhabited and governed by the Manchurians.

The Chinese as a whole in those days were ignorant of this fact. At the Sino-Japanese War peace conference held at Shimonoeki, when Japan demanded the ceding of the Liaotung peninsula, the chief peace delegate from China, Li Hung-chang, made a vigorous objection to the demand. His objection, as is plainly shown in a memoir left by the late Count Mutsu, one of the peace delegates at the conference and then the Foreign Minister, was not raised because the territory formed an indivisible and basic part of China, but because the Peninsula was the land whence came the reigning house of the Qing dynasty, and was most sacred to the ruling Imperial family, having the mausoleums of its ancestors and being the place, where the Imperial fathers had fought heroic battles. An agreement to slice the territory would incur the most vehement censure from the Emperor who would never consent to the proposal at all, declared Li.

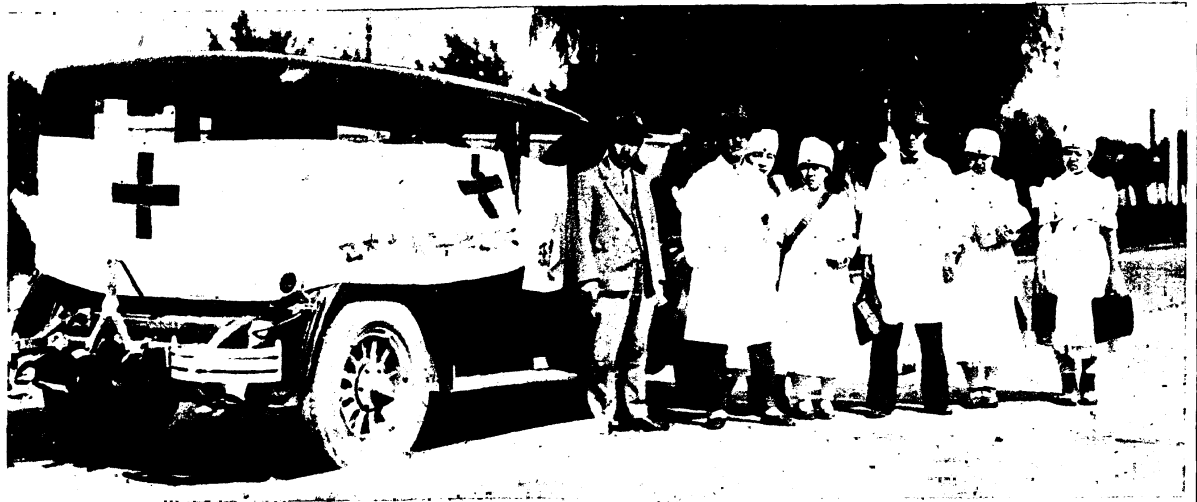
Not Known Abroad

This delicate distinction of Manchuria and Mongolia as private territories of the Imperial family of the Qing dynasty and not parts of what had been known as China, is not known to the Western people. In tracing the reasons that have caused Manchuria and Mongolia to appear to be territories of China, we find certain circumstances that have made this state of affairs inevitable.

It was the Qing dynasty, rising in Manchuria, that conquered and governed China; it was the Emperors of Manchuria who ruled over China. The Western people called the ruler the Emperor of China and termed all the territory under his control China without making any distinction in the case of Manchuria, Mongolia, and Tibet.

Referring to all these lands as the Chinese Empire, the Western people regarded Manchuria as part of this Empire. It was so designated in their

(Continued on Page 12)



Chinese Boycott

(Continued From Page 10)

Japanese including children and aged people were murdered at Kowloon, the British territory opposite Hongkong. The outlook developed from had to worse.

Wuhu

(Japanese population; 72)
The photograph of H.M. the Emperor was removed from the local consulate to the Japanese gunboat Uji in view of the threatening developments.

Chungching

(Japanese population; 104 including one Chinese)
With the accelerating of the anti-Japanese enthusiasm, the local Chinese showed signs of attempting to restore the Japanese settlement to China by force. The Japanese steamer Unyo Maru was sent to this city in order to carry the Japanese refugees to safety.

Tangshan

(Japanese population; 82, including six Chinese)

Changli

(Japanese population; 17)

Hsuanichiao

(Japanese population; about 30)
All the Japanese residents in Tangshan and Changli left these places for either Chinwangtao or Tientsin, while all the Japanese women in Hsuanichiao left for Peiping.

Tsinan

(Japanese population; 3,038, including 2,990 Japanese and 93 Chinese)

The Chinese newspapers here carried false stories, stating that the Japanese troops had occupied Hsien-tai and Tsingtao. The Chinese public hoisted flags at half mast and all the theatres were closed on September 23 by way of expressing mourning.

Japan Hard at Work to Enlighten World With Real, Uncoloured Facts on Manchuria

(Continued From Page 9)

tao and Koupingtsu while the Japan world cannot very well overlook such surreptitious attempts if these were ever made, in fact.

That the League has manifestly shown itself to be excessively friendly toward China while taking a suspicious attitude toward Japan has been the cause of no small regret to the Japanese nation. The League's secretariat, supposed to maintain an absolutely detached viewpoint in international questions, has seemingly allowed itself to be influenced by its sentiment or prejudice.

More recently it exaggerated its pro-Chinese attitude and has come to busy itself with the broadcasting of Chinese propaganda. Some of the influential members of the Secretariat headed by Dr. Reichmann stay in Nanking and assist the Chinese in the manufacturing of "reports" contrived to deceive the people largely ignorant of the facts involved in the Manchuria question. Sir Eric Drummond, Secretary-General, being a British subject naturally sympathizes with the Chinese and has been doing all within his power to turn the tide of affairs to the Chinese advantage.

At last wearied by the flood of

Amoy

(Japanese population; 7,855, including 358 Japanese, 21 Chinese, and 7,476 Taiwanese)

Swatow

(Japanese population; 608, including 179 Japanese, one Chinese, and 428 Taiwanese)

The anti-Japanese sentiment grew conspicuous developing for the worse rapidly, thereby creating poignant uncertainty among the Japanese residents in these places.

warning notes addressed from the Secretariat, largely based upon the propaganda reports emanating from Chinese sources, the Japanese Government decided to send a note of protest. Foreign Minister, Baron Shidehara, on November 9 sent instructions to the Japanese delegates, Ambassador Ishihara and Minister Sawada, to protest against some of the thoughtless actions of the members of the Secretariat as well as of Mr. Brand, the chairman of the Council. The protest which the delegates addressed to the League read in part as follows:

"The Chinese, however, have conducted propaganda falsifying facts, not only giving their reports to the newspapers but also sending them out in the style of formal notes addressed from time to time to the secretariat of the League of Nations and to the member nations of the Council. The League secretariat, without sending them out in the style of formal notes addressed from time to time to the secretariat of the League of Nations and to the member nations of the Council, has accepted them, making them the basis for discussions in the League Council.

"Not only that, Mr. Aristide Briand, even during the recess of the Council, has sent frequent notes of protest to the Japanese Government on the basis of the Chinese propaganda reports. This is disregarding the diplomatic usages.

"This attitude of the League gives rise to the suspicion that the League is purposely continuing an unfriendly attitude toward the Japanese Government. This the Japanese Government regrets exceedingly and it cannot but declare that the acceptance by the League of such unfriendly reports will only contribute toward im-

No Greater Right

Manchuria may belong to China
But who took it back
From the Tsar?
Who sacrificed 200,000 heroes
That the map of the Far East
Should be what it is today?
Manchuria may belong to China
But not its prosperity
Peace and order
The nation which owns
Over 1,000 miles of railway
And is forced to protect it
With her own troops.
And has built for China
Four more trunk lines
Without getting back a cent
Of the money loaned
And has invested
More than \$2,000,000,000
In her own undertakings
And has fully a million subjects
Residing in the territory
Suffering from the warlord's
Misgovernment
Has a right to police
Manchuria
If there ever was a right
Of self-defence

pairing the dignity of the League of Nations. The Japanese Government herewith calls the attention of the League Council to this matter.

"Since the Manchurian incident, the Japanese Government has always maintained a careful and strictly just attitude and has continued to inform the secretariat of the League of Nations and the Governments of the nations with which Japan is in treaty relations that Japan has throughout acted in accordance with the recognized diplomatic usages and has notified them of the facts of the case, thereby showing the sincerity of the Japanese Government.

The League Council had to meet again on November 16 in order to continue its deliberation of the Manchuria question. The object of supreme interest and importance to Japan is: what disposition it will propose to give to this difficult problem? It is the sincere hope of the Japanese people first of all that it will

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Department of State Letter, August 10, 1972
By M. A. O. Smith
NARS, Date 12-18-75

Japan in Manchuria

Imperial Troops by Their Prompt Action Forestall Ravages By Soldier-Bandits; Nippon Determined to Protect Her Rights at All Costs

At the Helm



Baron Kijuro Shidehara
Foreign Minister



Baron Reijiro Wakatsuki
Premier



General Jiro Minami
War Minister

What Is China?

Editorial, Oct. 24, 1931, Appearing
in the Osaka Mainichi & Tokyo
Nichi Nichi, English Edition

A time there was in America when the press and politicians were wont to call China a "Sister Republic in Orient" and the people did not think it absurd. This was the time when the world's illusion about China was at its climax. Of course, even then sane critics like the late Lord Bryce and Mr. J. O. P. Bland laughed at regarding China as a "Republic" in the sense the United States is a Republic.

Subsequent growth of interest in affairs of the Orient gradually led Americans and Europeans to view China in a more realistic light. A greater number of Americans had the chance of personally visiting their "Sister Republic," the hotbed of epidemics, beggars, thieves, and bandits. The American quickly dropped the word "Sister"; only the Chinese now make the liberal use of it in their propaganda in America: they cry out, "Can you afford to permit your 'Sister Republic' to be raped by the monstrous Japan?"

Fortunately most of the American people have ceased to be aroused by such hackneyed sensationalism—they have seen the true picture of China. They have realized that there are republics and republics and that these can differ as heaven differs from earth. As far as the American people are concerned it would be futile for the Chinese to attempt to present their country otherwise than what it is—a disorderly conglomeration of huge masses of discontented human beings covering a vast undeveloped territory.

For one reason or another the Europeans lag behind the Americans in their knowledge of China. This is evident even from the attitude of the League's Council toward the present Sino-Japanese friction. The Council is apparently being influenced by the Chinese statements and representations. Before taking these grandiloquent persuasions at their face value, has the Council stopped to ask the question: What is China?—what authority have these statements back of them?

There is a hint that the League's authorities are taking but a telescopic view of the remote China and are confusing it with their preconception of a State derived from their contact with the advanced governments of Europe. Indeed, the Chinese delegate repeatedly mentions "My Government" as if it was a government in the established sense of the term. But what is the Chinese Government? Is there one to be called?

There are in China as many "governments" as there are ambitious generals and warlords. These squat on different territories and with their cliques "govern" their own spheres of influence. Some warlords are richer and more powerful than others of their nature. For instance, a large number of troops and hold more extensive territory under their control. General Chiang Kai-shek, General Chang Hsueh-liang, General Yen Hsi-shan, and General Feng Yu-hsiang are among the more powerful of the warlords.

Not only are there numerous "governments" in China, but these keep on constantly contesting for dominance. The League of Nations apparently regards the Nanking faction with confidence and deals with it as if it were a responsible government. It does not realize that in so doing it is but dealing with a clique of headstrong young men to whom the real meaning of a government is unknown. Due to courtesy and convenience Japan has given it a recognition, but with full cognizance of its invalidity. For instance, she does not, as the League seems to do, take its empty pledges and declarations at face value. Distance often removes an object's ugly realities.

The idea of sending a commission to China is a plausible one, provided that its object is to investigate the nature of the so-called "Chinese Government" and to see if it has any sense of responsibility—if it can be trusted as the governments of other nations can be trusted. The study of this basic principle, in our opinion, must be the starting point of the League's meddling with Far Eastern affairs.

THE EVIDENCE—The Patience With Which the Officers And Men of the Imperial Railway Guards Along the South Manchuria Railway Stood the Constant Pin-Pricking Provocation of the Chinese Regulars Finally Emboldened This Armed Horde on the Night of September 18, 1931, to Destroy the Track of the S.M.R. at a Point a Few Miles North of Mukden. Shown in the Picture Are Pieces of Broken Rails And Ties Gathered From the Destroyed Section With the Gun And Caps Left on the Spot by the Chinese Soldiers.



Japan Has Made Manchuria Oasis Of Peace in Lawless China; Will Keep it So

Japan does not want her borderland disturbed, nor will Japan tolerate a permanent coercive situation close by. This, in short, is the primary and only motive that has prompted Japan to turn her attention to Manchuria. When China planned aggressive measures in Chosen, Japan was forced to take up arms against her. The Sino-Japanese War was thus provoked by China.

The war ended in a great victory for Japan, but she was compelled to give up the fruit of the victory, the Liaotung Peninsula which she had obtained from China, because of the intervention by three Powers, Russia, France, and Germany. Japan, as a result, acquired practically no rights in Manchuria.

The ringleader of the intervention, Russia, soon after forcing Japan to return the Liaotung Peninsula to China, began laying the Chinese Eastern Railway, connecting Ryojun (Port Arthur) and Dairen, and leased the territory of Kwantung that embraces these two key points. Further, Russia built at Ryojun fortresses on a gigantic scale and trained the guns at the heart of Japan. Manchuria, like the Maritime Province, was apparently destined to be swallowed by Tsarist Russia.

Russia, in the meantime, extended her greedy claws to Chosen. Japan fought China in order to maintain in Chosen the peace that is vital to Japan's interests. Japan was again forced to rise against the aggressive encroachment of Russia. Then followed the Russo-Japanese War.

China at that time expected the defeat of Japan, and had entered into a secret defensive and offensive alliance with Russia. Japan knew nothing of this. The war, contrary to the belief of China, ended in Japan's victory. The majority of the rights possessed by Russia in South Manchuria consequently were turned over to Japan and this has helped China to preserve the integrity of her territory.

The risks faced and the sacrifices made by Japan for the purpose of perpetuating peace in the Far East were not visibly appreciated by China. The Sino-Japanese relations thereafter were not always smooth. Tsarist Russia fell, but the situation was not improved. Manchuria was subjected to constant disturbances. The territory had, in fact, innate elements detrimental to permanent tranquillity in this part of the world.

Conditions Vastly Changed

Within the extent of the concessional rights obtained from both Russia and China, Japan steadily carried out economic and cultural measures and invested well nigh ¥16,000,000,000, changing the conditions in the land to a marked degree. Where Japan's influence has been felt, the life in the territory has become orderly and peaceful; commerce and industry have become thriving. Fully 1,200,000 Japanese live in Manchuria and Mongolia, carrying on legitimate business that is contributing much toward the further improvement of the conditions in Manchuria all round. Manchuria today has become the only oasis of peace and order in the wide, bandit-infested, civil war-ridden China.

The situation in Manchuria and Mongolia has a vital bearing on Japan's national existence. When every pacific and legitimate means of persuasion to make China observe the sanctity of international treaties has not only failed, but when every such courteous attempt to this end is flouted with arrogance, is answered with insulting violation of treaties, and what rights Japan holds are about to be trampled upon, the limit of patience is reached.

No self-respecting nation will see her rights and privileges deliberately ignored, her nationals subjected to all sorts of torment by lawless elements, their lives and property exposed to constant danger. There is a point beyond which endurance cannot go. Japan has reached the final limit in dealing with China. The limit has been passed. There is no other way left for Japan but to take self-protective measures, and Japan does not intend to stop halfway in carrying these measures out.

Causes of Manchurian Affair in Nutshell: Short, Concise Survey of Situation That Forced Japan to Self-Protective Action

Late on the night of September 18, 1931, a number of soldiers under the command of Major-General Wang I-tei of the First Division of the Northeastern Army, generally regarded as the pick of the troops under Chang Hsueh-liang, attempted to destroy the track of the South Manchuria Railway a few miles north of Mukden. The Imperial Railway Guards were then compelled to take forcible action to stop the outrage, ending in the sweeping out of all the undesirable, disturbing and rowdy soldier-bandits from Mukden and its adjoining territory along the S.M.R. lines. This constitutes what is called the Manchurian affair.

Because of the rapidity with which the Imperial troops carried out these self-protective measures, some of the Powers seem to regard the action of the Japanese with suspicion as if exceeding that of self-protection. The real nature of whole affair is not so simple as it might appear to others.

The Immediate Cause

The Chinese officials and civilians of late were united in their efforts to carry on an anti-Japanese campaign. They incited mobs at all possible opportunities with the apparent intention of trampling upon the rights that Japan possessed in Manchuria and Mongolia. Their attitude was one of provocative challenge.

It became a commonplace event for Chinese regular troops to try to pick quarrels with the Japanese soldiers guarding the Manchuria Railway lines, while mounted bandits attacked the region along the S.M.R. lines with an alarming frequency. The Chinese officials as well as soldiers were either powerless to cope with the mounted bandits or connived at their marauding. Then occurred the murder of Major Nakamura and his party by the Chinese regulars in a Mongolian town.

The ceaseless incursion activities by Chinese against Chosenese farmers in the interior of North Manchuria eventually provoked the large-scale anti-Japanese movement now known as the Wanpaoshan case where a large number of Chosenese were ruthlessly driven out of their legitimate land holdings.

The feeling between the Japanese and Chinese nationals was brought to the white heat of hate and suspicion; there was reason to fear that the situation might burst out in fiery indignation on the part of the Japanese. The immediate and direct cause of the Manchurian affair was the deliberate destruction of the S.M.R. tracks by the regular Chinese soldiers, but it would be correct to state that the smoldering anger of the Japanese due to the Chinese arrogance leaped into flame at the challenge of the Chinese. That the responsibility for the whole affair rests with China should be plain.

Distant Causes

The actual nature of the whole Manchuria affair will not be clear to any one unless he is well informed as to the illegal actions by the Chinese which may be said to constitute the distance cause. The situation in Manchuria, as has been elsewhere emphasized, is vital to Japan's national existence. Japan holds there special rights and privileges obtained after two wars in which she staked everything and she must see that order and peace are maintained there at all costs.

China has not only deliberately ignored the international treaties, but has been attempting to render them scraps of paper. China has disregarded Japan's rights and has been assuming an uncompromising attitude in carrying on an insulting anti-Japanese campaign. To mention some of the most prominent issues started by the Chinese:

1. The campaign for the restoration of Ryojun and Dairen.
2. The denial of Japan's right to station troops in Manchuria and North China.
3. The so-called railway question.
4. The question of the Japanese right to lease land.
5. The question of Chosenese in Manchuria.

Against Railway Rights

What has excited the strongest antagonism on the part of the Japanese against Chinese is the Chinese attempt to strangle the S.M.R.'s business by laying rival roads parallel to the S.M.R. lines, in open violation of the Sino-Japanese treaties.

There have also been the Chientao agreement in which the Japanese right to invest in the proposed Kirin-Kaipei line was formally recognized, the revision of the agreement in which Japan gave the sum of ¥10,000,000 to China as a preparatory expenditure, and the formal agreement concluded between Marshal Chang Tso-lin

and Mr. Jotaro Yamamoto, then the Governor of the S.M.R.; all these steps were taken in order to lay the Kirin-Kaipei Railway line . . . but the work has never been begun.

Meanwhile China has been active in planning rival lines to the S.M.R. on an elaborate scale to force the S.M.R. out of business. This is popularly known in Japan as the Chinese scheme of surrounding the S.M.R. With Taku as the starting point, China built a branch of the Peiping-Mukden line; the branch line goes from Taku to Tungliu via Sinlitun and Changyu, in entire disregard of Japan's interests.

China also has built the Mukden-Hailu line and extending further to Kirin from Hailu, presented another rival line on the east side of the S.M.R. By these two rival lines China planned to sandwich the S.M.R. line between the east and west rival lines and bring strong pressure on Japan's economic interests. All these railways were constructed by China in absolute disregard of Japan's rights or Japan's protests.

Right to Lease Land

Japanese nationals have the right to lease the land necessary for the pursuit of legitimate business in South Manchuria where they may build houses or begin farming enterprises. China, however, on one pretext or another, has never consented to adhere to the stipulation (in Article 2 of the treaty regarding South Manchuria and Eastern Mongolia) covering this. This was the basic plan of China to prevent the Japanese from acquiring an economic foothold in Manchuria.

There are about 1,000,000 Chosenese in Manchuria, the majority of whom are engaged in agriculture. They have been hard at their pioneer work, suffering from the never-ending extortion of the Chinese officials and from the overbearing arrogance of the landowners. Many of them have been deprived even their legitimate livelihood because of these combined attacks by the Chinese. Fearing the permanent extension of the economic power of the Chosenese, the Chinese have taken advantage of the fact that these Chosenese live mostly in remote parts of the interior and have been making continual efforts to drive them out either by illegal arrests or by forcible expulsion. These Chosenese may rightly be described as wandering along the life and death line.

300 Issues Unsettled

In addition to these problems already mentioned, there are nearly 300 problems awaiting solution, or rather legitimate action on the part of the Chinese. In all these problems, the Imperial Government has never failed to urge the Chinese authorities, both local and central, to speed up their solution, but the Chinese have been delaying this solution apparently on purpose; in fact, the Chinese seem more anxious to find excuses for not solving them than otherwise.

China's sole efforts centre on the thought of how Japan may be driven out of Manchuria. China never ceases to resort to any means of questionable character to that end. She has ignored treaties and disregarded international faith in her attempts to succeed. These Chinese actions have unavoidably widened the gap between the two countries in their friendly relations, have created suspicion on both sides, nurtured hatred, and brought about a tense situation, fraught with imminent danger.

The garrison of the Imperial troops stationed in the Leased Territory of Kwantung facing this critical situation, took aggressive action for the purpose of eradicating the disturbing elements. This cannot be other than purely an action of self-protection. Else what is it? It is not difficult to imagine what the Chinese soldiers on the strength of the enormity of their number, might have done—the Chinese soldiers who have been thus maintaining an attitude of provocative challenge to the Japanese—situated as they were in an atmosphere where the enmity of both nations had become white hot, had they found that the Imperial troops would remain passive. The mere thought of it would make even the most unimaginative shudder.

The Imperial troops, outnumbered to the extent of one to 20, had to operate with lightning speed, occupy all strategic points, drive these elements from their base of operations and afford them no chance to rally. This is the reason that the Imperial troops cleared Mukden and its vicinity of all Chinese troops in a single night; the subsequent operations against the Chinese are simply a natural sequence of this principle in action.

SUMMARY OF POLITICAL AND ECONOMIC

COMPILED

THE OSAKA CHAMBER OF

19

What Economic Interests and Privileges Has Japan in China?

MANCHURIA, MONGOLIA AND JAPAN

Special Rights and Interests of Japan in Manchuria and Mongolia

The facts concerning our interests and privileges in Manchuria and Mongolia constitute a long story. Moreover, they are legitimate rights and have a vital bearing on the existence of our nation.

In order to understand the special footing of our country in Manchuria and Mongolia, it is necessary to retrace the relations between China and Japan that have existed since the Sino-Japanese War. After the war Japan obtained by the Shimonoeki Peace Treaty the cession of the region south of Newchwang and Haicheng in South Manchuria. But as a result of the intervention of the three Powers, Russia, Germany, and France, she had to return the region. But Dairen and Port Arthur, which China had taken back from Japan, were soon ceded to Russia. Russia was enabled to construct the Chinese Eastern Railway and China also concluded with Russia a secret treaty for offensive and defensive alliance against Japan. In 1900 at the time of the Boxer Rebellion, Russia despatched her army to Manchuria and occupied important places and even tried to invade Korea. In the midst of such a crisis jeopardizing the peace of the Far East, China remained indifferent and took no step. But to Japan the Russian advance toward the south meant the life or death of the country, and there was no choice but to fight, even risking the independence of the nation. Fortunately for Japan, she won. By virtue of the Portsmouth Treaty of 1905, Japan took over the Russian right to lease the Liaotung Peninsula and the right to the branch line of the Chinese Eastern Railway south of Kwang-chengtzu, and other rights. In December of the same year China recognized these rights by the Peking Treaty, and the extension and revision of this treaty was planned later by the Sino-Japanese Treaty of 1915.

At the time of the Russo-Japanese War, China had a secret agreement for offensive and defensive alliance with Russia, which in itself was enough to make Japan the lawful holder of South Manchuria south of Changchun, without troubling China to recognize the aforesaid rights there.

Japan, however, did not swerve an inch from the path of righteousness and was satisfied with no more than the guarantee of Manchuria against any further aggression of other Powers and the acquisition of a special economic position in Manchuria in return for the sacrifices she had made.

Since the Russo-Japanese War, Japan has done her best to maintain peace and to accomplish the peaceful development of Manchuria. The enormous amount of money invested there may be estimated at more than a billion yen, in consequence of which Manchuria has made great progress economically. Facilities for communications were introduced and the farm products increased. Manchuria is now considered the richest and most peaceful region in China. The population has increased during the past twenty years from five or six million to 30 million, more than a million immigrants per annum still pouring in steadily from China proper.

PROBLEMS RELATING TO RAILWAYS

The South Manchuria Railway

The South Manchuria Railway was a section of the branch line of the Chinese Eastern railway from Harbin to Port Arthur and Dairen, the charter for which was acquired by Russia by the Russo-Chinese Treaty of March, 1898. The section south of Changchun was ceded to Japan by the Portsmouth peace negotiations (Articles 5 and 6 of the Manchurian Treaty, 1905). According to Article 12 of the Russo-Chinese Treaty concerning the management of the Chinese Eastern Railway of September 8, 1896, the same line can be restored to the Chinese Government on the payment of a certain price after 36 years counting from the day when the operation started (July 1, 1903). At the expiration of the period of 80 years, the railway line and all the property thereof were to be given up to the Chinese Government, but by the Sino-Japanese Treaty of May, 1915, the period of lease of the line was extended to 99 years and by the annex to the treaty it was stated that "the leasehold period of the South Manchuria Railway expires in the year 2002." The clause relating to the restoration of the line to the Chinese Government was struck out, and the right will remain valid for 71 years more.

The Antung-Mukden Railway, now a part of the South Manchuria Railway, but formerly a military light railway, was rebuilt in accordance with Article 6 in the Agreement annexed to the Sino-Japanese Treaty on Manchuria in December, 1905. This line, too, was to have been sold back to China according to the evaluation of a disinterested third person in 1923, but this period also was extended to 99 years by Article 1 of the Sino-Japanese Treaty of May, 1915, and according to the annexed public statement, the period of the lease expires in 2007 and so the right remains valid for 76 years more.

Agreements on Railway Rights

China by laying and operating lines parallel to the S.M.R. is violating the rights and interests of the Japanese railways. The right to lay railways is originally based upon the third chapter of the appendix concerning the lease of Port Arthur and Dairen concluded between Russia and China in April, 1898, which provides: "Russia agrees that though the terminus of the branch line of the Siberian railway may reach Port Arthur and Dairen, it shall not reach any other place on the shores of the peninsula and also both countries agree that no other Power shall obtain the right of laying a railway in the territories where the branch line is passing and it is not Russia's concern even if the extension of the Chinese Shanhaikwan railway may come near that branch." According to this treaty, the interests in the districts through which the branch line of the Siberian Railway, that is, the S.M.R., passes must not be handed over to a third party, and even China herself is allowed to lay only the Shanhaikwan Railway, or the present Peiping-Mukden line, in the vicinity of the S.M.R. This right which Russia possessed was completely taken over by Japan by Article 1 of the Sino-Japanese Treaty concerning Manchuria in 1905.

But the last part of the third article of the Russo-Chinese treaty somewhat lacking clearness in its meaning, Japan further provided in Article 3 of the agreement between China and Japan concerning Manchuria, in order to protect the interests of the S.M.R., that China before its restoration agrees that any parallel line or any branch line which may injure the interests of that railway shall not be laid, and this treaty is today still effective.

China does not regard this agreement as a regular treaty, but Japan's protest against the plan of laying the parallel line

LEASED TERRITORIES, CONCESSIONS AND FOREIGN TROOPS

Historical Background of Leased Territories

Although China had ceded the Liaotung peninsula by the Shimonoeki Peace Treaty following the Sino-Japanese War, she later succeeded in compelling Japan to return the peninsula through the intervention of three great European Powers, namely, Russia, Germany, and France. Later on, in March, 1898, Germany, captured Kiaochow on the pretext of the murder of a German missionary. In the same year, Russia leased Port Arthur and Dalny. Following the German and Russian examples, France secured Kwangchow Bay on the coast of Kwanghsi in April, 1898. Great Britain, too, leased Kowloon, on the opposite side of Hongkong, and Weihaiwei in June and July of 1898 respectively to counteract the Russian policy. The lease of Weihaiwei was stipulated to extend as long as Russia held Port Arthur and Dalny.

Later on, Russia became a menace to the peace of Asia through her aggressive foreign policy in Manchuria and even jeopardized the position of the Japanese Empire. At last, this culminated in the Russo-Japanese War, as an aftermath of which the Russian rights in Manchuria were transferred to Japan.

Leased Territory of Kwantung Province

In accordance with Article V of the Treaty of Portsmouth, Japan acquired by transfer the leased territories of Port Arthur and Dalny (Dairen) from Russia, to which China gave her approval. Article III of the Sino-Russian Treaty on the lease of the Liaotung peninsula of 1898 provided that the lease might be extended by the agreement of both countries when it came to an end. The lease was to expire on March 26, 1923. But Japan obtained the extension of the lease for 99 years by Article I of the Sino-Japanese Treaty of May, 1915. Thus the period of the lease became the same as those for Kowloon by Great Britain, Kwangchow Bay by France, and Kiaochow by Germany. According to the Supplementary Official Note, the lease was to expire in 1997 and therefore it will be effective for 67 years more. China first tried to recover the leased territories at the Paris Peace Conference, to which no response was made on the part of the Powers. On December 3, 1921, however, China again requested the restoration of leased territories at the Far Eastern Committee meeting of the Washington Conference. According to the agreement reached at that time, Great Britain returned Weihaiwei in October, 1930, but she still holds Kowloon. France had declared her willingness to return Kwangchow Bay, but she has not carried out her promise yet.

The Railway Zone

The Railway zone in Manchuria is different from either leased territories or concessions in its nature. It is under the administration of the Japanese Government and the area of the zone is at present a little over 16 square Ri (1 ri=2.44 miles). The railway zone came into existence by Article VI of the Russo-Chinese Treaty of August, 1896, which states:—

"Land required for the construction, management and protection of the railway or land required for digging out gravel, stones, and coal shall, if owned by the government, be handed over to Russia free of charge by the Chinese government, and if owned by private individuals, shall be sold in accordance with the market price.

The company shall have an absolute right over those lands and no taxes of any kind shall be levied on any of the company's

JAPAN'S RIGHT TO LEASE LAND AND OTHER RIGHTS; CHINA'S VIOLATIONS OF THESE RIGHTS

Foundation of the Lease Right

Japan's lease right in Manchuria and Mongolia is based upon "the Treaty Relating to South Manchuria and Eastern Mongolia." In Article 2, it is stated, "the subjects of Japan have the right to lease land necessary for the construction of commercial or industrial buildings or for engaging in agriculture." Also in the supplementary document the right is confirmed as shown by the following clause: "The term 'lease' covers a period of 30 years and includes also the right of renewal without condition."

Renewal without condition means practically the ownership of land. It is provided: "No matter whether the other party wishes renewal or not, the lease right remains valid without requiring either any step for the conclusion of new agreements or the payment of any price."

The right is definitely stipulated in the treaty, but in reality it is mostly infringed upon by the Chinese authorities.

Presidential Ordinance Interfering with the Lease Right

The former Peking Government promulgated the Traitor Punishment Ordinance by order of the President, according to which any person who privately makes an agreement with a foreigner and injures the national right shall be considered a traitor and be punished with death. The wording of the ordinance is somewhat vague, but in meaning it is clear that any one who makes a contract of lease in accordance with the treaty shall be put to death. For the enforcement of this law, the delay of half a year was asked, during which period China formulated regulations and interfered with the lease of land. The Chinese Government is still pursuing this policy. Owing to this hostile attitude of the Chinese authorities, the land and business management of Japanese residents has completely failed.

Pressure Upon the Industrial Rights

The right of the Japanese to engage in industries in Manchuria is fully recognized by the Japan-China Treaty of 1915. However, the oppression of the Chinese authorities is such that various lines of industries are destined to gradual decay.

In the case of the Manchurian Spinning Company, which is a Japanese corporation, for example, the Chinese authorities, in order to protect the products of the Mukden Spinning Mill, which is a Chinese corporation, have heavily taxed the former's products without recognizing the privilege for the exemption of tax previously obtained from the Peking Government by the Manchurian Spinning Company. Also, they have tried to undermine the business of the South Manchurian Sugar Company by holding up its supply of raw materials. The North Manchurian Electric Company in Harbin, one of the most influential Japanese enterprises in North Manchuria, used to supply electricity quite widely in Harbin and vicinity. But the Chinese have

ANTI-JAPANESE AGITATION AND EDUCATION

Principal Events of the

1. **The Tatsu Maru Incident.**
This began with the protest lodge Tatsu Maru in March, 1908, and ended in 1909 from August to October. The boycott was vigorously carried out. The rebuilding of the railway by the Japanese was vigorously carried out.
2. **The Antung-Mukden Railway Incident.**
In 1909 from August to October, the rebuilding of the railway by the Japanese was vigorously carried out.
3. **Sino-Japanese Parley Incident.**
At the time of signing the Sino-Japanese Treaty, Japanese goods were first started in October.
4. **Shantung Problem.**
Owing to the unfavorable settlement at the Peace Conference in 1919, a great anti-Japanese movement broke out over China on the National Humiliation Day, December 9.
5. **The Recovery of Port Arthur and Dairen.**
The boycott against Japan, started after the recovery of Port Arthur and Dairen, the centre of activity was in central China. Relations with Japan were finally declared.
6. **The May 30 Incident.**
The May 30 incident, so called because of a strike of Chinese laborers at a nationwide strike and the boycott of Japanese goods in many places.
7. **The Shantung Incident.**
Owing to the outrages in Nanking, Japan dispatched troops to Shantung in 1928; as a measure of protest against the Japanese goods in many places.
8. **Tsinan Incident.**
The dispatch of troops in 1928 to take over the Tsinan incident. A large number of Japanese were killed and the Anti-Japan Society was formed and were conducted unscrupulously.
9. **Wanpaoshan Incident.**
This incident was due to the dispute over the rice-fields of Korean farmers at Wanchow. A retaliatory riot of the Koreans against the Japanese took place. Anti-Japanese societies were organized in the middle of July, to agitate against the Japanese.
10. **Manchurian Affair.**
The self-defensive action of the Manchurian according to the Sino-Japanese Treaty of 1915. On September 18, 1931, by the Chinese Anti-Japanese movement throughout Manchuria, conducted by the Kuomintang (the Nationalist Government), but may be called a war of resistance.

Economic Blockade

The cases of Anti-Japanese economic blockade. Items 1 to 5 are political in origin and measures. China resorted to the Japanese goods. The Chinese, not only non-purchase of Japanese goods, but also the severance of economic relations.

If Japan had not driven Russia out of Manchuria, Manchuria and Mongolia would today be in the possession of Soviet Russia. China would also be on the verge of national disintegration.

But China does not recognize Japan's interests as represented by her investment, blood, effort, and sacrifice. On the contrary, she endeavours to ignore the rights of Japan acquired by the treaties, resorting to unscrupulous measures, and is doing all she can to drive out Japan from Manchuria and Mongolia.

Japanese Population in Manchuria and Mongolia

Name of place	
Newchuang	11,749
Liaoyang	12,303
Mukden	127,468
Antung	63,542
Chientao	397,193
Tiehling	15,703
Chengchiatun	1,871
Changchun	21,114
Kirin	18,643
Harbin	36,830
Tsitsihar	9,779
Manchouli	406
Chihfeng	1,482
Total in Manchuria	718,083
Total in Kanto District	117,846
Grand total	835,929

Japan's Investment in Manchuria and Mongolia

	yen
Investment through loans	238,062,342
Investment through corporate enterprises	1,135,351,929
Investment through personal enterprises	94,991,560
Total value	1,468,405,831
Classification of enterprises	
Transportation	822,303,999
Manufacturing industry	105,620,605
Commerce	117,752,987
Electricity and gas	37,054,558
Financial operation	204,338,896
Insurance business	325,000
Agriculture and forestry	23,310,822
Mining	99,785,887
Enterprises not otherwise recorded	57,913,147
Total value	1,468,405,831

Imports and Exports in Manchuria

Country	EXPORTS (H.K. Tls.)		
	1930	1929	1928
Japan	98,485,990	114,717,334	107,517,682
Korea	2,614,117	2,426,727	3,433,780
Hongkong	5,173,756	5,501,593	5,823,055
British India	9,037	7,839	4,000
Dutch Indies	6,083,012	7,037,951	6,204,272
Russia (Pacific Coast)	310,291	635,828	119,279
Other Asiatic Countries	2,450,633	2,477,226	2,261,350
Britain	10,241,302	21,591,656	13,509,018
France	887,290	1,068,642	1,034,095
Netherlands	34,727,721	29,703,478	16,262,558
Belgium	1,636,535	321,950	232,776
Germany	3,279,591	1,315,730	1,560,163
Sweden	195,385	401,710	194,301
Italy	683,174	4,881,722	5,365,681
Other European Countries	435,099	192,319	89,720
Canada	306,428	435,297	62,332
U. S. A.	6,180,483	9,998,626	6,763,611
Other American Countries	76,700	150,391	546,495
Africa	—	—	—
Australia	2,553	15,492	273,044
Other Countries	9,134,347	34,919,553	17,118,664
Total	182,943,354	237,801,064	188,359,876
Country	IMPORTS		
	1930	1929	1928
Japan	75,930,994	83,561,487	66,070,082
Korea	1,895,392	1,532,542	1,118,872
Hongkong	9,134,333	11,394,824	9,043,592
British India	1,189,855	1,780,334	2,904,618
Dutch Indies	426,729	408,107	315,483
Russia (Pacific coast)	371,089	682,777	139,483
Other Asiatic Countries	159,800	202,657	117,863
Britain	9,890,456	9,320,656	6,155,367
France	802,609	899,269	2,126,032
Netherlands	1,243,510	922,847	624,685
Belgium	2,842,759	4,962,532	3,182,469
Germany	11,498,871	7,650,403	6,146,190
Sweden	373,303	147,733	162,634
Italy	596,505	1,459,372	532,037
Other European Countries	142,782	124,711	109,574
Canada	700,653	3,239,305	394,922
U. S. A.	18,395,060	22,247,085	17,695,208
Other American Countries	104,005	561	920
Africa	262,156	30,060	—
Australia	286,785	9,565	37,999
Other Countries	521,510	900,165	168,213
Total	136,829,156	151,176,992	117,046,243

between Fakumen and Shinmintun was based on this agreement and the Chinese Government had at last to accept it. Then again, when she tried to cooperate with an American concern to build the Chinchow-Aigun Railway, the Sino-Japanese agreement prohibiting parallel lines was very effective, and China herself had to recognize the validity of this agreement. The building of the Ta-tung line, Shen-hai line, and Ki-hai line is clearly in violation of the treaty concerning Japan's special rights.

Railway Problems

(1) Ta-tung line: This line connects the Ssuningkai-Taonan Railway and the Peiping-Mukden line. It is a main line together with the Taonan Angangchi, Ssuningkai-Taonan, and Chengchiatun-Tungliao lines parallel to the S.M.R. in the west. China, infringing upon the Sino-Japanese Treaty relating to Manchuria, planned to build it in 1922. Ignoring Japan's strong protest, China went ahead with its construction and completed the work in December, 1927.

(2) Kirin-Hailung line: This line together with the Mukden-Hailung line constitutes the main line parallel to the S.M.R. in the east. China also promised to lease these lines to Japan in a note exchanged concerning the four railways in Manchuria and Mongolia in 1918, but the Chinese authorities began to build the Kirin-Hailung road in cooperation with the Kirin people without consulting Japan at all. Ignoring Japan's note of protest, the line was opened in August, 1929, and it is now planned to join the Kirin-Changchun, and the Kirin-Tunhua lines.

(3) The account dispute in the construction expenditure of the Taonan-Angangchi Railway: The S.M.R. had the contract for this line, and it was completed in July, 1926, being handed over to China in December of the same year, but even now the Chinese authorities refuse to pay the price agreed on.

(4) The question of the adviser to the Taonan-Angangchi Railway: It has been agreed to have a Japanese adviser to supervise all the accounts, and his signature was to be affixed together with that of the chief executive of the railway to all papers of expenditure, but China has ignored this agreement.

(5) The connection problem of the Peiping-Mukden and Mukden-Hailung Line: By the Sino-Japanese agreement concerning the extension of the Peiping-Mukden line, the Mukden-Hailung and Peiping-Mukden lines are not allowed to be connected; in spite of this agreement, China connected these two lines in March, 1927.

(6) The connection problem of the Kirin-Hailung and the Kirin-Changchun line: After the completion of the Kirin-Hailung line, ignoring Japan's protest, China sent a request to allow her to make the freight connection of the Kirin-Changchun and the Kirin-Hailung lines, but Japan did not consent to it and the matter was dropped.

(7) The construction expenditure problem of the Kirin-Tunhua line: The construction of this line was contracted for by the S.M.R. and when completed in October, 1928, it was handed over to China, but since then three years have passed, and the construction cost has not been paid. Moreover, China has not appointed a Japanese chief accountant as agreed.

(8) The loan adjustment problem of the Ssuningkai-Taonan line: The time limit of the loan adjustment totalling ¥32,000,000 expired at the end of May, 1926, and Japan demanded the adjustment, but China did not respond. As the result, the interest up to May, 1929, amounts to more than ¥10,000,000.

Lines Parallel to South Manchuria Railway, and those Enveloping S.M.R.

(1) Parallel railways financed with Chinese capital are as follows:—

Ta-tung Railway (251.5 kilometers from Tahushan station of Pei-ning line to Tungliao).

Shen-hai Railway (236.6 kilometers, main line from Shen-yang to Hailung and also branch line from Meihokou to Hsian).

Ki-hai Railway (205.2 kilometers, from Hailung to Kirin). Kai-feng Railway (64.4 kilometers, from Kaiyuan to Hsifeng; this is a light railway).

(2) Enveloping Railways financed by Chinese capital are as follows:—

Tsi-ang Railway (12.9 kilometers, Angangchi to Tsitsihar). Hu-hai Railway (220 kilometers, from Sungpu, opposite Harbin, to Hailun).

Tsi-ku Railway (from Tsitsihar to Kushan).

Tao-so Railway (from Tao-an to Solun, under construction).

In regard to the total mileage of these railways, the parallel lines only amount to 757.7 kilometers and with the enveloping lines added, the total distance is 991 kilometers. Furthermore it is said that the Chinese plan to envelope the S.M.R. lines on quite a large scale and the tentative lines already announced involve 55 lines altogether. With such plans in addition to the completion of Hulutao harbor, China seems to intend to undermine the whole foundation of Japan's rights and interests in Manchuria.

income or wages, etc."

Japan has obtained the above right by transfer in accordance with Articles I of the Sino-Japanese Treaty of 1905 on Manchuria. The general administrative authority in connection with civil engineering, education, and sanitation are entrusted to the South Manchuria Railway. At present, there are about 91,000 Japanese and no less than 290,000 Chinese residing in that district.

With the view of maintaining the security of lives and property of the Japanese and Chinese residents and of promoting educational and sanitary institutions, Japan through the South Manchuria Railway, has spent a huge sum of money for a number of years. As a result, an ever increasing migration of Chinese has come over to Manchuria, and industries on modern lines have sprung up in this region.

Historical Survey of Foreign Concessions

The term "foreign concessions" means the districts set apart for foreigners' residence in the principal commercial cities of China. Although they are parts of Chinese territory, the administrative authority belongs to the Powers concerned. The most prosperous and also the oldest foreign concession is the international concession of Shanghai, which came into existence by the Supplementary Treaty between Great Britain and China of 1843. This concession was not acquired by force, but was ceded to Britain from the standpoint of mutual convenience with a view to making it a foreign residential district. More foreign concessions were established later in other commercial centres, and today there are more than ten concessions.

Foreign concessions may be divided into two categories: those belonging exclusively to one country and those under international control. In any case, foreign concessions have been not only the safety zones for foreign residents but also the districts through which foreign trade has been developing. Moreover, some Chinese politicians and millionaires, as well as numerous industrialists, businessmen, and laborers have come to reside in foreign concessions in order to enjoy the security of their lives and property. In consequence, the Chinese residents have so increased as to outnumber the foreign residents.

Present Condition of Foreign Concessions

During the Great War, China succeeded in recovering the German, Austrian, and Russian settlements and concessions. In January, 1927, the National Government of the South recovered the British concessions at Hankow and Kiukiang by force. The British Government returned its two concessions at Chinkiang and Amoy in 1929 and 1930 respectively. In March, 1929, Belgium agreed to relinquish her Tientsin concession. At the end of 1930, the National Government requested both Japan and France to return the Hankow concession. The French Minister to China, Monsieur Welden, is said to have answered that he would like first to ask for the permission to keep an airplane at the Legation. What he was driving at was this—the time is not yet ripe for the relinquishment of foreign concessions in a country where the prevailing condition is so chaotic that a foreign minister might unexpectedly have to escape by airplane to a place of safety.

Problems of Foreign Troops Stationed in China

At present, the troops of several Powers are stationed along the route between the legation quarter at Peiping and the sea-coast. This practice is based on Articles VII—IX of the Boxer Protocol of 1901; it ensures not only the communication between Peiping and the sea-coast, but also the safety of foreigners residing in Northern China.

Japan is entitled to station 15 soldiers per 1 kilometer along the South Manchuria Railway lines—that is, about 15,000 soldiers altogether in Southern Manchuria, in accordance with various agreements such as the Chinese Eastern Railway Treaty of 1896, (sometimes called the Casini Treaty) Article V; the Russo-Japanese Peace Treaty—Supplementary Section, Part I; the Russo-Japanese Protocol, Article V; and the Supplementary Agreements, Article II. Great Britain, France, and Japan have maintained their troops in Shanghai without any treaty stipulations since the May 30 incident of 1926.

These practices, China has contended, have been carried on in defiance of China's sovereignty. However, having witnessed deplorable incidents at Nanking, Hankow, and Tsinan and having taken into account that China is not yet free from internal strife, the maintenance of foreign troops is considered indispensable for safeguarding lives and property of foreigners and for protecting commerce. China also looks upon foreign warships freely frequenting the Chinese coast and interior waters as a practice in defiance of China's sovereignty. However, the practice is still considered necessary and it cannot yet be dispensed with, due to the chaotic conditions in China.

now established their own electrical works with a capital of ¥4,000,000, in co-operation with the officials of Kirin Province. As a result, they have now their own 5,000 kilowatt power station, and have confiscated the franchise for building a tramcar line from the North Manchurian Electric Company and are even trying to deprive the electric light business of its rights. The Chinese authorities also resort to police persecution to force subscribers to change the source of their electric light supply. These instances are cited to give an idea of Chinese persecution to which the Japanese enterprises are subjected.

Interference with the Mining and Forestry Rights

It is definitely stipulated in the Agreement of 1909 on the five Manchuria problems that the mining industry along the main lines of the South Manchurian Railway and the Antung-Mukden Line shall be jointly operated by Japan and China. The Chinese Mining Act recognizes the right of operating mines by a corporation jointly financed by foreigners and Chinese. In spite of these facts the Chinese authorities unlawfully attempted to deprive Japan of the legitimate right of mining in Manchuria and Mongolia and even lodged a protest against Japan's right to carry on the oil shale industry in Fushun, saying that no such right is stipulated by the treaty. A similar step was taken by the Chinese authorities in lodging a protest against the coal mining of the Penhsihu Coal & Iron Works which industry has been conducted during the past 22 years under the joint management of the Okura Company and the Mukden authorities by legitimate contract. Many other mining rights once ceded to the Japanese have been unlawfully confiscated.

The Japan-China Treaty of 1915 definitely confirms Japan's right of engaging in the forestry industry in South Manchuria, but China ignores this right by resorting to domestic legislation and other measures. In Kirin, Japanese firms such as the Fuji Paper Co., Mitsui, Okura and others that have invested a considerable amount of capital, have been subjected to persecution at the hands of the Chinese authorities, and have suffered considerable losses. All these industries have been forced to suspend operations.

Violation of the Right of Residence

The residential right in Manchuria and Mongolia was confirmed by the treaty of 1915 between Japan and China. This right of residence, based on the policy of equal opportunity, is open not only to the Japanese, but also to all other nationalities. In obtaining this right Japan aimed at the opportunity of purchasing raw materials, trading in merchandise and carrying on economic activities in Manchuria and Mongolia.

If the Japanese and other foreigners could reside and travel freely, engaging in all kinds of industrial and commercial activities in accordance with the provisions of this agreement, the economic development of Manchuria would be greatly facilitated. China, however, has placed all sorts of obstacles in the way. For example, the Governor of Mukden requires landlords who rent houses to the Japanese in the city not to renew the lease when the term of lease expires. Leases with long terms are required to be revised and the terms made no longer than two years. On account of these regulations, the number of the Japanese residing in the city of Mukden has decreased. There were 130 Japanese families in Mukden in 1927, but there are now only 23 families. Furthermore, evacuation of the Japanese was demanded in such places as Liaoning, Taonan, Nungan, Anta, Fakumen, Taolaichao, Shihtoutzu, Antung, Maoerhsan, etc. In some of the places mentioned above, there is not at present a single Japanese resident.

Examples of Persecutions of Koreans

It was during June, 1931, that China insisted on the removal of the dam work on the Itung River of Wanpaoshan and forced the Korean farmers to sow seeds dry, but Japan insisted that as the Koreans were not accustomed to sowing seeds dry, it was impossible to follow this practice. It was also pointed out that already the seeding time had passed and that wet sowing should be allowed. This state of things gave rise to the Wanpaoshan Incident. As a matter of fact, the persecution of the Koreans in Manchuria by the Chinese authorities has been notorious and intolerable. At present, though the exact number of the Koreans in Manchuria cannot be ascertained, it is estimated at more than 800,000, of which 99% is engaged in agriculture. These Koreans leased paddyfields from the Chinese land owners, but during the past few years, the Chinese authorities have prohibited the lease of land to the Koreans and merely recognized the hire contract. Thus entirely depriving the Koreans of their rights of independent farming many secret orders restricting the dwelling of the Koreans have also been issued, and during the year 1928, deportation orders were issued in more than four hundred places.

cited in Item 5. The methods

1) Prohibition of supply of raw materials to Japanese employees in China. The Chinese in Japanese employment the Japanese banks and non-Japanese banks.

This caused directly or indirectly the fall in price of Japanese goods, the closing of exchange dealing Japanese commercial houses in close. Since then, this new policy relations has come to be applied. Immediately after the Tsinan incident organized under the guidance of the Anti-Japan Society is a group of unscrupulous activities are all Headquarters. Since the advent situation has changed. The cor Japanese boycotts and sentiment be summarized as follows:

1. The Anti-Japan Society stands carries on the Anti-Japanese movements is neither a temporary movement nor feeling as in the past.

2. The organization is on a national basis which existed in the past.

3. But as a matter of fact, the interest of the people, but is a can businessmen, students and irresponsibly their own interests under the name of

The Problems of Unfair Freight

Although Supplement No. concluded by China and Japan likin, native customs duty, coast other duties which hinder the a to be abolished at the earliest da by the Republic. For instance, mills are made exempt from certificate called "yintan," which Department of the National G amount of money. But those p mills which do not make a sim duties everywhere.

Extremely discriminating fre goods by the Chinese National Shanghai-Soochow and other Chinese and foreign products, goods having more distinct fo goods, for an instance, are cha Japan, as 4th class, which is st Hats and paper products are al the national railways, that is, no but those of the interior, are rates established by the Railw Government. The Shantung Ra Japanese products, as well as on factories in China.

The Anti-Japan

The Chinese National Gov permanent Anti-Japanese policy materials in the text-books of pu the purpose of continuing the A consents to the revision of t Territory and the South Manch the independence of Korea and

Of more than 500 anti-fore Anti-Japanese. (1) Japan's ag (2) Japan's methods of invading invasion of China; (4) Japanes which China should adopt toward but falsely stated. In addition publications.

RELATIONS BETWEEN JAPAN AND CHINA

LED BY COMMERCE AND INDUSTRY

31

How Does China Violate the Treaty Rights of Japan?

AGITATION IN BUSINESS EDUCATION

Anti-Japanese Agitation

led by Japan concerning the seizure of the
in November of the same year.

ident.
the boycott of Japanese goods in Man-
the agitation was started in connection
between Antung and Mukden.

Japanese treaty in May, 1915, the agitation
at Hankow spreading all over China

nt of the Shantung problem at the Paris
Japanese movement was started all
ation Day (May 7) and continued till

Dairen.

ed in connection with the movement for
in April, 1920, continued till August.
China and the severance of economic
ed.

use of its origin on May 30, 1923, started
Japanese cotton mill in Shanghai, and
of foreign goods took place in many

g and Tsinan, the Tanaka ministry of
1927 to protect the Japanese nationals
his step, China conducted the boycott

protect the Japanese nationals at Tsinan
systematic Anti-Japanese organization,
and campaigns against Japanese goods

es over the right of using river water for
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st the Chinese residing in Korea took
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apanese troops, which are stationed in
ese treaties, against the outrageous
n of the South Manchuria Railway on
ese army has given rise to a vehement
China. The movement is purposely
hinese Government party), and is not
thout resorting arms against Japan.

De Against Japan

agitation as cited above in
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t being satisfied with the boycott
goods, adopted in 1923 a new
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PROBLEMS OF CONSOLIDATING LOANS

Brief History of China's Foreign Loans

Since the Sino-Japanese War and the Boxer Rebellion, China has been incessantly subjected to internal strife and commotion, and the national finance has been extremely distressed. Naturally the raising of loans was deemed the best measure by both the central and local Governments for extricating themselves from financial difficulties. This policy was recklessly carried out, and at last the foreign loans accumulated to the huge amount of 2,000,000,000 Yuan. During the year 1923, the Loan Consolidation Committee was appointed, comprising many financial leaders, both native and foreign, and also the representatives of the Four Power Loan Syndicate, in order to effect a thoroughgoing investigation and consolidation of these loans with the officials of the Chinese Government. However, the difference between the amount of loans shown by the Chinese Government and that shown by the creditor countries was too wide and no agreement was reached in these negotiations.

Later, however, in pursuance of the Nine Power Treaty of the Washington Conference, the International Conference of Chinese Customs was convened, and it was definitely recognized that the imposition of a 2½% additional duty on the import duty was to be made and many Conferences were held by the interested countries for discussing the use of the proceeds. Consequently, during May, 1929, the appendix to the Japan-China Customs Convention was signed, which provided that 5,000,000 Yuan should annually be transferred from the above proceeds to the redemption fund, and, though the payment of the principal and interest of both domestic and foreign loans, which are secured by the customs duty, has been effected, this payment being placed under the control of the Inspector General of the Customs, the remaining foreign loans have been deplorably neglected. This is especially the case with such loans as the so-called Nishihara Loans; the national Government does not even recognize their existence, and the Ssu-tao Railway Loan and the Tao-ang Railway Loan have also been entirely neglected.

Principal Facts of Nishihara Loans

The first Nishihara Loan of Japan was contracted by the Chinese Government, its Communication Department taking the principal part during September, 1917, in order to meet pressing financial needs. This loan, which amounts to ¥20,000,000 was raised by the Bank of Communications of China through the intermediation of Mr. Kamezo Nishihara and up to September, 1918, during the short period of one year, loans accumulated to the large sum of ¥145,000,000. However, due to non-payment of both the principal and interest, the Japanese banks accepting these loans were greatly distressed. Consequently, during the fifty-first session of the Japanese Imperial Diet (1926), the law of consolidating the Nishihara Loans was passed and the Japanese Government took over the loans from the banks.

The particulars of the above loans are as follows:—

Ki-hei Forestry Mining Loan	¥ 30,000,000
War Fund Loan	¥ 20,000,000
Bank of Communications Loan	¥ 20,000,000
Two Shantung Railway Loans	¥ 20,000,000
Four Mongolia and Manchuria Railway Advances	¥ 20,000,000
Flood Relief Loan	¥ 5,000,000
Telegraph Installation Loan	¥ 20,000,000
Kihui Railway Loan	¥ 10,000,000
Total	¥ 145,000,000

In addition to the above, there is a considerable amount of

TREATIES AND REGULATIONS GOVERNING FOREIGN ENTERPRISES IN CHINA

Japanese Rights of Industrial Enterprise

The future development of industries in China under Japanese control was anticipated by the Japanese Government and the Shimomoseki Treaty was concluded in 1895. Thus the following clause was inserted in the treaty:—

"Japanese subjects shall be free to engage in all kinds of manufacturing industries in all the open cities, towns, and ports of China, and shall be at liberty to import into China all kinds of machinery, paying only the stipulated duties thereon."

"All articles manufactured by Japanese subjects in China shall in respect of inland transit and internal taxes, duties, charges and exactions of all kinds, and also in respect of warehousing and storage facilities in the interior of China, stand upon the same footing and enjoy the same privileges and exemptions as merchandise imported by Japanese subjects into China." (Article vi, part 4)

Again, by the conclusion of the Sino-Japanese Commercial Treaty in 1896, the following provisions were agreed upon:—

"Japanese subjects may, with their families, employés, and servants, frequent, reside and carry on trade, industries and manufactures, or pursue any other lawful vocations in all the ports, cities, and towns of China, which are now, or may hereafter be, opened to foreign residence and trade. They are at liberty to proceed to or from any of the open ports with their merchandise and effects, and within the localities at those places which have already been, or may hereafter be, set apart for the use and occupation of foreigners, they are allowed to rent or purchase houses, rent or lease land, and to build churches, cemeteries, and hospitals, enjoying in all respects the same privileges and immunities as are now, or may hereafter be, granted to the subjects or citizens of the most favoured nations."

"The Japanese Government recognizes the right of the Chinese Government to tax with discretion the goods produced by Japanese nationals in China provided that the said taxes should not be different from or more than those imposed on the similar goods produced by the Chinese nationals" (Supplementary Treaty, Article iii).

Restriction of Japanese Rights of Industrial Enterprise

(A) Geographical Restrictions

Although China recognized Japanese rights of industrial administration in open ports by the Shimomoseki Treaty of 1905, Great Britain among other Powers was particularly dissatisfied with the areal limitation placed on the industrial administration rights. With the view of extending its application to all parts of China, Great Britain demanded their extension when she concluded the Anglo-Chinese Revision Treaty in 1902—known as the MacKay Treaty. The Chinese Government, still clinging to her traditional policy, did not concede to the British demand, and no change has yet been made. China expressed her intention of prohibiting foreign industrial and manufacturing undertakings in the marts opened for foreign trade, apart from open ports. In short, the marts opened for foreign trade are for commercial purposes only. There are twenty-four marts opened for foreign trade including such places as Woosung, Tsinwangtao, Santuao and Tsinan (among twenty-four, nine marts have not been as yet opened).

Within recent years, however, China set a novel example with regard to Tsingtao (Kiaochow). Due to the existence of foreign-managed industries, which had previously existed, China treated the said district as an exception and allowed those industries to remain as before.

(B) Limitation of Japanese Investments

Previous to the MacKay Treaty, any joint-capital business under Chinese and foreign management had been prohibited. But by the MacKay Treaty China recognized the right of Chinese to own shares in British companies and vice versa. The same principle was recognized regarding Japan in 1903.

According to the present Chinese Corporation Laws, the fundamental principle is that there should be no distinction with regard to the nationalities of employees in Chinese companies and of shareholders. Therefore, at first sight, it looks as if there were no limitation or restriction placed on foreign investments. But, should Chinese companies be located outside of open

EXTRATERRITORIALITY

(Consular Jurisdiction)

Historical Background of Extraterritoriality

The origin of extraterritoriality—the privilege granted to foreigners in China of being exempted from the laws of China and of enjoying the rights and privileges of their respective countries (also called Consular Jurisdiction System)—dates back to the exchange of notes between the British and Chinese delegates after the conclusion of the treaty of Nanking in 1842.

Extraterritoriality was granted for the first time by the subsequent Anglo-Chinese Supplementary Treaty concluded in 1843. Since then, the other treaty Powers have, at various times, secured the same privileges. And it is obvious that the Powers did not secure extraterritoriality by forceful compulsion.

To the foreigners residing in China, extraterritoriality is a system by which their lives and property are safeguarded, but to the Chinese, it is an encroachment on China's territorial sovereignty. The Chinese Government has therefore been demanding the abolition of extraterritoriality. In the Sino-British Treaty of 1902 and Sino-Japanese and Sino-American Treaties of 1903, it is stipulated that extraterritoriality shall be abolished upon complete legislative reform on the part of China. Again, at the Washington Conference of 1922, a resolution was adopted as to the abolition of extraterritoriality, which resulted in the meeting of the investigating committee composed of representatives of the Powers at Peking in December 1925. The result of the committee meeting reported in July of the following year was the conclusion that the time was not quite ripe for the immediate relinquishment of extraterritorial jurisdiction in view of the unsatisfactory nature of China's legislation, court and police systems.

Status of Each Power

Since the establishment of the National Government, particularly in recent years, China has been earnestly requesting the Powers to give up their extraterritorial rights.

China has succeeded in having the consular jurisdictions of Germany, Russia, and a few minor Powers removed. She induced Austria to promise abolition by the treaty of 1925. Belgium, Italy, Portugal, Denmark, and Spain realized that the time was not ripe yet in China for the removal of extraterritoriality at the Committee meeting of 1926, but the National Government induced them to accede to the following clause, effective from January 1930:—

"The citizens of either of the contracting Powers residing in the other's country shall obey the laws and jurisdictions of such country." However, due to the most favoured nation clause, this has not been put into practice yet.

Similar agreements relating to the abolition of extraterritoriality were concluded in April, 1931, between Dr. C. T. Wang, the Chinese Minister of Foreign Affairs, and the Dutch Minister and also the Norwegian Minister. But in the case of the Sino-Dutch agreement, it does not bind the Netherlands until other

FOREIGN TRADE & COASTAL TRADE

China's Foreign Trade Direct Imports (Gross)

Country	1921		1930	
	HK. Tls.	Percentage	HK. Tls.	Percentage
Japan (including Formosa)	210,359,237	22.55%	327,164,567	24.63%
U.S.A.	175,789,652	18.85%	232,405,941	17.50%
Hongkong	231,138,080	24.78%	218,369,933	16.44%
British India	35,380,635	3.79%	132,168,471	9.95%
Great Britain	149,935,615	16.07%	108,257,932	8.15%
Germany	—	—	69,105,357	5.20%
Dutch Indies	—	—	48,360,659	3.64%
French Indo-China	—	—	28,181,664	2.12%
Belgium and Luxemburg	—	—	27,456,827	2.07%
Other Countries	130,247,121	13.96%	136,760,335	10.30%
Total	932,850,340	—	1,328,231,866	—

China's Foreign Trade Direct Exports (Gross)

Country	1921		1930	
	HK. Tls.	Percentage	HK. Tls.	Percentage
Japan (including Formosa)	172,110,728	28.63%	216,555,242	24.20%
Hongkong	152,875,077	25.43%	158,018,135	17.66%
U.S.A.	89,541,816	14.89%	131,880,076	14.74%
Great Britain	30,913,956	5.14%	62,619,051	7.00%
Russia and Siberia	22,865,428	3.80%	55,413,027	6.19%
Netherlands	—	—	44,943,678	5.02%
Korea	15,097,250	2.51%	44,174,507	4.94%
France	23,945,151	3.98%	42,699,749	4.77%
Germany	—	—	23,361,413	2.61%
Turkey, Persia, Egypt, etc.	17,276,661	2.88%	22,150,223	2.48%
Singapore, Straits, etc.	19,461,388	3.24%	19,176,840	2.14%
Other Countries	57,168,082	9.50%	73,801,653	8.25%
Total	601,255,537	—	894,843,594	—

China's Trade with Japan

(Including Formosa, but not Korea)

Year	Export to Japan	Import from Japan
1917	105,773,819	221,666,891
1918	163,394,092	238,558,578
1919	195,006,032	246,940,997
1920	141,927,902	229,135,866
1921	172,110,728	210,359,237
1922	159,754,351	231,428,885
1923	198,517,346	211,024,297
1924	201,175,926	234,761,863
1925	166,337,037	299,755,611
1926	211,740,889	336,909,441
1927	208,638,810	293,793,760
1928	228,602,453	319,293,439
1929	256,428,320	323,141,662
1930	216,555,242	327,164,867

Tonnage of Vessels Engaged in the Carrying Trade to and from Foreign Countries and Between the Open Ports in China

Country	1921		1930	
	Tonnage	Percentage	Tonnage	Percentage
British	42,326,445	36.93%	57,246,927	36.79%
Japanese	31,738,783	27.69%	45,630,705	29.33%
Chinese*	31,791,479	27.74%	29,199,170	18.77%
American	4,510,901	3.93%	6,490,351	4.17%
German	—	—	4,245,842	2.73%
Norwegian	—	—	4,218,277	2.71%
Dutch	—	—	3,347,082	2.15%

adopted are as follows:
1) Materials to Japan; 2) Dismissal of Japanese firms; 3) Withdrawal of Japanese money; 4) Non-deposit of money in Japan; 5) Japanese paper money.

Directly the decrease of Japan's shipping business in China, goods for Chinese markets, and with China. In addition, some Central China were compelled to pay of the severance of economic relations in strikes against foreigners. The Anti-Japan Society was of the Kuomintang (the Government organization, and it directed the cities in various parts of China. The government organization, and it directed by the Kuomintang of the Anti-Japan Society, the addition is different from the Anti-Japan that prevailed formerly. It may

be for anti-imperialism in theory, and not as an expression of patriotism. It is an expression of local Anti-Japanese sentiment.

On a wide scale, quite unlike the temporary movement is not carried on in the

movement organized by some able rowdies who aim at promoting a national movement.

Tariff and Discriminating Rates

3 to the Customs Agreement in 1930 definitely states that the trade duty, transit duty and all advancement of foreign trade, are not, no such step has yet been taken in the products of Chinese cotton and various duties by the use of which is obtainable from the Treasury Government by paying a certain amount of Chinese and Japanese tariff payment have to meet heavy

light rates are charged on Japanese Railways. For instance, the lines quote different rates for charging specially high rates for foreign elements; Chinese cotton is charged as 2nd class, while those of Japanese are charged at a rate strikingly higher than the former. In the same category, and all only the lines around Shanghai are enforcing these discriminating rates. The Department of the National Railway charges exorbitant rates on articles manufactured in Japanese

Japanese Education

Government, which has adopted a policy, has been using Anti-Japanese public schools and high schools with the Anti-Japanese movement till Japan surrenders, and returns the Kanto Railway, and acknowledges the restoration of Formosa. The Japanese chapters, more than 320 are aggressive policy towards China; (3) History of Japan's power in China; (5) The policy towards Japan; all these are minutely there are numerous Anti-Japanese

loans excluded from the consolidation program due to the reason that China does not acknowledge the debts under the pretext that these loans are not secured by any mortgage.

As the matter stands now, in the First International Conference which was convened during November, 1930, even the items of loans to be fixed in the consolidation draft had to be left unsettled and have so remained up to now. At any rate, Japan has loaned by far a greater amount to China as compared with other foreign countries, and has indeed a vital concern in this matter. Such a large amount as represented by the Nishihara Loans must by all means be consolidated successfully.

Details of the Unsettled Accounts of the Manchuria and Mongolia Railway Loans

In order to construct railways in Manchuria, China made huge loans from both the Japanese Government and the South Manchuria Railway Company. She has not paid either the principal or the interest. With these railways financed with Japanese capital, China menaces the S. M. R. ignoring the Japan-China Agreement, and constructs competitive lines and plans the construction of harbours, etc. The unsettled accounts of the Manchuria and Mongolia Railway loans, not counting the Kirin-Changchun railway loan, amount to more than ¥160,000,000, the details of which are as follows:—

Details of Manchuria and Mongolia Railway Loans	Amount Unit Yen
Ki-hui Railway Provisional Agreement Advance	10,000,000
Overdue Interest on above Loan	3,890,804
Manchuria and Mongolia 4 Railways' Provisional Agreement Advance	20,000,000
Overdue Interest on above Loan	8,490,520
2nd, 3rd, and 4th Interest Payment on Loan for above Ki-hui Railway, Manchuria and Mongolia 4 Railway Loans	28,055,973
Ssu-tao Railway 6th Short term Loan	32,000,000
Overdue Interest on above Loan	12,393,218
Ki-tun Railway Loan	9,158,106
Overdue Interest on above Loan	1,648,459
Tao-ang Railway Loan	1,044,496
Overdue Interest on above Loan	74,589
Outstanding Account of Ki-tun Railway	10,767,424
Tao-ang Railway Outstanding Account	10,989
" " "	16,316,717
" " "	50,560
Ssu-tao Railway Outstanding Account	280,685
Shen-hai Railway Outstanding Account	182,120
Pei-ning Railway	8,935
Tsi-ku	5,061
Ssu-cheng " Department	1,142,000
Ki-tun " Temporary Payment	2,787,508
Ssu-cheng " Loan Account	4,780,000
Total Unsettled Accounts Receivable	¥163,095,764

China owes in addition ¥1,660,000 for the purchase of Japan's military railway between Mukden and Shinmintun in 1905, the initial loan of ¥2,500,000 in 1908 and the 2nd loan of ¥4,000,000 in 1917 on account of the Kirin-Changchun loan agreement.

Japan's Actual Credit Accounts Other than the Manchuria and Mongolia Loan Credit Accounts

(Unit ¥1,000—Outstanding on Jan., 1st, 1930)

Name of Loan	Amount of Loan	Amount of Principal and Interest	Name of Creditor
Boxer Indemnity Account	113,917		Government
Five Powers Adjustment Loan Account	50,000	46,654	"
World War Participation Loan Account	20,000		"
Tsi-keo Railway Preparatory Loan Account	20,000		"
Ki-hei Forestry and Mining Loan Account	30,000		Under investigation
Wire Telegraph Loan Agreement Account	20,000		"
Bank of Communications Loan Account	20,000		"
Japan-China Ten Million Yen Loan Agreement Account	10,000	11,449 (with interest)	Yokohama Specie Bank
Peiping-Suiyuan Line 1st Loan Account	3,000	5,027 (with interest)	Toa Kogyo Co.
Peiping-Suiyuan Line 2nd Loan Account	3,000	6,263 (with interest)	Toa Kogyo Co.
Nan-Hsün Railway Loan Account	5,000		"
Nan-Hsün Railway 1st Loan Account	500		"
Nan-Hsün Railway 2nd Loan Account	2,000	14,011	Toa Kogyo Co.
Nan-Hsün Railway 3rd Loan Account	2,500		"
Wire Telegraph Loan Account	20,000	28,665 (with interest)	Exchange Bank of China
Communications Dept. Telephone Development Loan	10,000	10,000	Chunichi Jitsugyo Co.
Wire Telegraph Development and Improvement Account	15,000	10,000	Toa Kogyo Co.
Shuang-chiao Wireless Station Construction Loan Account	5,363	5,363	Mitsui Bussan Co.
Total Loan Account	350,280		

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Department of State letter, August 10, 1972
By Milton O. Hunt NARS, Date 12-18-75

ports, foreign investment has to come under a limitation somewhat analogous to the aerial limitation as stated above.

Moreover, enterprises or trading concerns and banks of special nations are subject to various limitations. For instance, the mining industry belongs to the category of special enterprises. In this industry, the amount of foreign capital is not allowed to exceed one half of the entire capital. In the case of iron mining and those mining industries which come under the provisional regulations governing small mines, no foreign capital can be invested. The same applies to the fishing and salt industry under governmental protection. Foreigners cannot become shareholders of the China Merchants S. N. Co., steamship companies, Bank of China, Bank of Communications, and Bank of Agriculture and Commerce. Nor are they allowed to invest in the Chinese cotton and textile, woolen, iron, filature, tea, and sugar industries, which enjoy the privilege of loans from the government for three years in accordance with the Industrial Loan Act promulgated on January 13 in the third year of the Chinese Republic (1914).

Incompleteness of Trade Mark Rights in China

In the new Trade Mark Law of China, in force since January 1930, there is no provision for punishing the infringement of trade mark rights, and such cases come under the criminal laws. The old trade mark law in force under the Peking Government contained definite clauses for punishment. With especial reference to counterfeiting or imitation, it provided as follows: "Counterfeiting or imitating the registered trade mark of another person with the intention of using it or causing it to be used by others for the same goods shall be punished with penal servitude for a term not exceeding one year or with fine not exceeding 500 yuan together with forfeiture of the articles concerned."

The new trade mark law is defective in many respects, there being no such clause as that cited above. The trade mark law is almost powerless to punish the violators, and it is more liable to encourage counterfeiting and imitation of trade marks. It is natural therefore that cheaper articles should be popular among Chinese merchants whose commercial moral standard is low with respect to the imitation and counterfeiting of trade marks.

As a result, Japanese sundry goods, refreshing preparations and toilet goods which can easily be imitated, suffer considerably. This state of things particularly hampers the sales of Japanese articles in Tientsin and its vicinity.

Examples of Abuses of Trade Marks

Some time ago, someone started to sell all over China twisted yarn of inferior quality bearing the imitated trade mark "Hinode Jirushi" (Rising Sun Trade Mark) of the Teikoku Seishi Kaisha (Imperial Spinning Co., Ltd.) of Osaka, Japan. After an investigation, it was found that the Shanghai Industrial Waxed Wire Works was responsible. Thus, in March, 1931, the Toa Company, the general agent for "Hinode Jirushi" products, took action against the Shanghai Industrial Waxed Wire Works on the charge of trade mark counterfeiting—(punishable by Article 268 of the Chinese Criminal Laws) at the Shanghai Special District Court. But the court decided the case against the plaintiff because it could not be interpreted as a case of trade mark counterfeiting from the viewpoint of the Chinese Criminal Laws.

On April 10, the Nationalist Government suddenly issued the following order to the Trade Mark Bureau of the Department of Business: "According to the interpretation of the Shanghai Special District Court, a mere imitation of trade marks does not constitute sufficient grounds for considering it as counterfeiting. But if a trade mark registered by another party is imitated with fraudulent intentions, such case may be regarded as counterfeiting."

On April 14, a similar case occurred. Brunner, Mond & Co. (British) took action on the charge of trade mark counterfeiting in regard to its metal polish products. Again, the plaintiff lost the case.

The Shanghai Special District Court passed judgment as follows: "The evidence is not sufficient to prove the fraudulent intention of counterfeiting a trade mark."

It will thus be seen that in China one can imitate any trade mark with impunity, though in order to protect the trade mark rights, other countries have regulations for punishing not only fraud but also imitation.

China ignores these fundamental principles and allows trade mark imitation without due discrimination. The registrations in accordance with the trade mark law offer no protection whatever. Many Japanese trade marks have thus been abused in China.

powers recognize it, because of the provisions of the most favoured nation clause.

Present Conditions in China

During 1926 the International Committee on the Abolition of Extraterritoriality made the following recommendations to the Chinese Government:—

(A) To complete the compilation of the following codes and to put them into actual practice.

1. Civil Code.
2. Commercial Code including the law concerning Bills, Marine Affairs, and Insurance.
3. Revised Criminal Law.
4. Banking Law.
5. Bankruptcy Law.
6. Patent Law.
7. Law concerning Land Condemnation.
8. Law concerning Notaries Public.

(B) The Chinese Government shall establish and maintain a uniform institution regarding the enactment, promulgation and abolition of laws.

(C) The Chinese Government shall enlarge the new systems of law courts, prisons, and jails with a view to abolishing the old provincial courts, prisons, and jails.

But China has not given any attention whatever to these recommendations, the only accomplishment of the Chinese Government along these lines being the promulgation of the revised criminal law and civil law in part. It is vitally important for the safety of the life and property of foreigners in China that the judicial power should be rightfully and fairly exercised. However, the prevailing condition is that the Chinese judicial officials and police officers are easily bribed to misapply the law. The military officers and civil administrators often interfere with the judicial authorities, and the independence of judicial power scarcely exists in China.

Regulations Governing the Foreigners Residing in China

Owing to the slow progress of the negotiation for abolishing extraterritoriality, China proclaimed in May, 1931, a set of regulations for governing the residence of foreigners in China. Peace and order are not properly maintained in China, and of course, no foreigners are subject to the new regulations, of which the following are the principal provisions:—

1. The term "foreigners" used in these regulations means those who enjoyed the extraterritorial right on the date of December 31 in the 18th year of the Republic of China.
2. Foreigners shall be subject to the jurisdiction of the local Chinese law courts of all grades.
3. In order to handle civil and criminal cases in which foreigners are defendants, special law courts shall be established in the local law courts of Harbin, Mukden, Tientsin, Tsingtao, Shanghai, Hankow, Hsiakao, Chungking, Minkao, Canton and Kunming and in the high law courts of adjacent districts.
4. The chief judge of the above special court shall be appointed from among the judges belonging to the respective courts.
5. When a foreigner becomes a defendant in either a civil or criminal case under jurisdiction other than the law courts provided for in Article 3, he may apply in writing for adjudication in the court concerned.
6. The special court may nominate several counsellors. The counsellors shall be appointed from among the local civil officials who are upright in conduct and are fully competent as judges with expert knowledge of law, but the rendering of counsel shall not be restricted to Chinese, and foreigners are also allowed to make application for their own counsel in writing to the foregoing special law court. However, in no case whatever will foreigners be allowed to interfere with judicial decision.
7. Restraint, arrest and domiciliary search in the case of foreigners shall be made in accordance with the law of criminal procedure. When a foreigner is arrested on the charge of violating the criminal law or other criminal regulations he shall be tried in the law court, but the hours of detention shall not exceed 24.
8. (Omitted)
9. In a civil or criminal case involving foreigners, the parties concerned are allowed to appoint an advocate either Chinese or foreign in accordance with the legal provisions, but laws and ordinances governing Chinese advocates shall be likewise applicable to the advocates.
10. Foreigners violating the police regulations shall be tried at the law court or at the police station. In the latter case, the penalty shall be a fine not exceeding 15 yuan, but the former shall not be subject to this provision. When the fine is not paid within 5 days in the case of police examination, the offender shall be detained at the rate of one yuan per day.
11. The warrant of restraint, arrest and detention shall be issued by the order of the local administration office.

Other Flags	4,251,936	3.71%	5,227,600	3.35%
Total	114,619,544		155,606,964	

* Including Junks entered and cleared at the Maritime Customs.

Coastal Trade Right

Though nothing is mentioned about the coastal trade right of foreign vessels in the Nanking Treaty of 1842 between Great Britain and China, the Chinese Government gave implicit consent to the coastal trade of foreign vessels and their access to ports not opened to foreign trade. This policy was due to the fact that foreign vessels were considered safer than the Chinese boats.

In the Anglo-Chinese Treaty of 1858, the sailing and trading of foreign vessels between the ports not opened to foreign trade were prohibited, but it did not provide any restriction of the coastal trade, which was regarded as the foreigners' vested right. However, the abuses in connection with the taxing of goods transported were such that the Chinese Government promulgated the coasting trade law in 1861 for the first time. This was the official recognition of the right of foreign vessels to engage in coastal trade. The tax system was adjusted incidentally at the same time. But it was not until China's treaty with Denmark was concluded in 1863 that the right came to be recognized by a treaty. It has since become a general practice to have a similar provision in treaties with other countries. It will thus be seen that the coastal trade right really started from usage or custom rather than from a treaty or foreign compulsion. In a country like China, where navigation is in a primitive stage and internal strife and piracy prevail, the permission granted to foreigners to engage in coastal trade has contributed much to the safety and convenience of commerce and communication in China.

China's Attitude Toward Coastal Trade

The Chinese people seem to regard the coastal trade as a measure of economic invasion on the part of the Powers, or else regard it as one of the chief causes for the undeveloped shipping business in China. In their recent demand concerning the revision of unequal treaties, the Chinese insisted on prohibiting the coastal trade by foreign vessels. In carrying out this aim, the Communications Department of the Chinese Government directed the Shanghai Shipping Association to use Chinese vessels exclusively. It is also strictly prohibited the hoisting of foreign flags on Chinese vessels. China aims at bringing every possible pressure to bear upon the coastal trade of foreign vessels. But those vessels which China possesses at present are all of smaller and older types, and are of course inferior by far to those of Japan and Great Britain. And as to the number of vessels, no remarkable increase has been made on account of China's repeated internal troubles.

According to the statistics at the close of 1930, there were 3,220 vessels registered at the Maritime Customs as sailing between open ports and ports not opened to foreign trade in accordance with the regulations for Inland Waters Navigation. Of the above figures, 2,627 were Chinese, and 544 were foreign.

Present Condition of Coastal Trade in China

The ships engaged in trading between the open ports of China may be classified by countries as follows: Of the total, Japan represents 20 per cent in the number of ships and 27 per cent in tonnage. Japan and Great Britain combined represent more than 60 per cent as shown in the following table. (1930)

Countries	Entered		Cleared	
	Tonnage (Unit: 1,000 tons)	Number of vessels	Tonnage (Unit: 1,000 tons)	Number of vessels
Great Britain	20,172	18,932	20,453	18,971
Japan	14,203	12,013	14,594	12,238
China	12,485	22,488	12,469	23,299
U. S. A.	1,167	2,718	1,283	2,741
Norway	1,234	605	1,252	592
Germany	1,179	296	1,192	295
Netherlands	665	158	866	208
Portugal	346	996	356	1,024
France	216	305	235	315
Denmark	195	78	220	83
Italy	148	55	165	58
Sweden	70	21	61	18
Belgium	41	12	41	12
Others	33	20	25	15
	52,154	58,697	53,212	59,869

SUMMARY OF POLITICAL AND ECONOMIC

COMPIL

THE OSAKA CHAMBER OF

19

What Economic Interests and Privileges Has Japan in China?

MANCHURIA, MONGOLIA AND JAPAN

Special Rights and Interests of Japan in Manchuria and Mongolia

The facts concerning our interests and privileges in Manchuria and Mongolia constitute a long story. Moreover, they are legitimate rights and have a vital bearing on the existence of our nation.

In order to understand the special footing of our country in Manchuria and Mongolia, it is necessary to retrace the relations between China and Japan that have existed since the Sino-Japanese War. After the war Japan obtained by the Shimonoseki Peace Treaty the cession of the region south of Newchwang and Haicheng in South Manchuria. But as a result of the intervention of the three Powers, Russia, Germany, and France, she had to return the region. But Dairen and Port Arthur, which China had taken back from Japan, were soon ceded to Russia. Russia was enabled to construct the Chinese Eastern Railway and China also concluded with Russia a secret treaty for offensive and defensive alliance against Japan. In 1900 at the time of the Boxer Rebellion, Russia despatched her army to Manchuria and occupied important places and even tried to invade Korea. In the midst of such a crisis jeopardizing the peace of the Far East, China remained indifferent and took no step. But to Japan the Russian advance toward the south meant the life or death of the country, and there was no choice but to fight, even risking the independence of the nation. Fortunately for Japan, she won. By virtue of the Portsmouth Treaty of 1905, Japan took over the Russian right to lease the Liaotung Peninsula and the right to the branch line of the Chinese Eastern Railway south of Kwang-chengtzu, and other rights. In December of the same year China recognized these rights by the Peking Treaty, and the extension and revision of this treaty was planned later by the Sino-Japanese Treaty of 1915.

At the time of the Russo-Japanese War, China had a secret agreement for offensive and defensive alliance with Russia, which in itself was enough to make Japan the lawful holder of South Manchuria south of Changchun, without troubling China to recognize the aforesaid rights there.

Japan, however, did not swerve an inch from the path of righteousness and was satisfied with no more than the guarantee of Manchuria against any further aggression of other Powers and the acquisition of a special economic position in Manchuria in return for the sacrifices she had made.

Since the Russo-Japanese War, Japan has done her best to maintain peace and to accomplish the peaceful development of Manchuria. The enormous amount of money invested there may be estimated at more than a billion yen, in consequence of which Manchuria has made great progress economically. Facilities for communications were introduced and the farm products increased. Manchuria is now considered the richest and most peaceful region in China. The population has increased during the past twenty years from five or six million to 30 million, more than a million immigrants per annum still pouring in steadily from China

PROBLEMS RELATING TO RAILWAYS

The South Manchuria Railway

The South Manchuria Railway was a section of the branch line of the Chinese Eastern railway from Harbin to Port Arthur and Dairen, the charter for which was acquired by Russia by the Russo-Chinese Treaty of March, 1898. The section south of Changchun was ceded to Japan by the Portsmouth peace negotiations (Articles 5 and 6 of the Manchurian Treaty, 1905). According to Article 12 of the Russo-Chinese Treaty concerning the management of the Chinese Eastern Railway of September 8, 1896, the same line can be restored to the Chinese Government on the payment of a certain price after 36 years counting from the day when the operation started (July 1, 1903). At the expiration of the period of 80 years, the railway line and all the property thereof were to be given up to the Chinese Government, but by the Sino-Japanese Treaty of May, 1915, the period of lease of the line was extended to 99 years and by the annex to the treaty it was stated that "the leasehold period of the South Manchuria Railway expires in the year 2002." The clause relating to the restoration of the line to the Chinese Government was struck out, and the right will remain valid for 71 years more.

The Antung-Mukden Railway, now a part of the South Manchuria Railway, but formerly a military light railway, was rebuilt in accordance with Article 6 in the Agreement annexed to the Sino-Japanese Treaty on Manchuria in December, 1905. This line, too, was to have been sold back to China according to the evaluation of a disinterested third person in 1923, but this period also was extended to 99 years by Article 1 of the Sino-Japanese Treaty of May, 1915, and according to the annexed public statement, the period of the lease expires in 2007 and so the right remains valid for 76 years more.

Agreements on Railway Rights

China by laying and operating lines parallel to the S.M.R. is violating the rights and interests of the Japanese railways. The right to lay railways is originally based upon the third chapter of the appendix concerning the lease of Port Arthur and Dairen concluded between Russia and China in April, 1898, which provides: "Russia agrees that though the terminus of the branch line of the Siberian railway may reach Port Arthur and Dairen, it shall not reach any other place on the shores of the peninsula and also both countries agree that no other Power shall obtain the right of laying a railway in the territories where the branch line is passing and it is not Russia's concern even if the extension of the Chinese Shanhaikwan railway may come near that branch." According to this treaty, the interests in the districts through which the branch line of the Siberian Railway, that is, the S.M.R., passes must not be handed over to a third party, and even China herself is allowed to lay only the Shanhaikwan Railway, or the present Peiping-Mukden line, in the vicinity of the S.M.R. This right which Russia possessed was completely taken over by Japan by Article 1 of the Sino-Japanese Treaty concerning Manchuria in 1905.

But the last part of the third article of the Russo-Chinese treaty somewhat lacking clearness in its meaning, Japan further provided in Article 3 of the agreement between China and Japan concerning Manchuria, in order to protect the interests of the S.M.R., that China before its restoration agrees that any parallel line or any branch line which may injure the interests of that railway shall not be laid, and this treaty is today still effective. China does not regard this agreement as a regular treaty,

LEASED TERRITORIES, CONCESSIONS AND FOREIGN TROOPS

Historical Background of Leased Territories

Although China had ceded the Liaotung peninsula by the Shimonoseki Peace Treaty following the Sino-Japanese War, she later succeeded in compelling Japan to return the peninsula through the intervention of three great European Powers, namely, Russia, Germany, and France. Later on, in March, 1898, Germany, captured Kiaochow on the pretext of the murder of a German missionary. In the same year, Russia leased Port Arthur and Dalny. Following the German and Russian examples, France secured Kwangchow Bay on the coast of Kwanghsi in April, 1898. Great Britain, too, leased Kowloon, on the opposite side of Hongkong, and Weihaiwei in June and July of 1898 respectively to counteract the Russian policy. The lease of Weihaiwei was stipulated to extend as long as Russia held Port Arthur and Dalny.

Later on, Russia became a menace to the peace of Asia through her aggressive foreign policy in Manchuria and even jeopardized the position of the Japanese Empire. At last, this culminated in the Russo-Japanese War, as an aftermath of which the Russian rights in Manchuria were transferred to Japan.

Leased Territory of Kwantung Province

In accordance with Article V of the Treaty of Portsmouth, Japan acquired by transfer the leased territories of Port Arthur and Dalny (Dairen) from Russia, to which China gave her approval. Article III of the Sino-Russian Treaty on the lease of the Liaotung peninsula of 1898 provided that the lease might be extended by the agreement of both countries when it came to an end. The lease was to expire on March 26, 1923. But Japan obtained the extension of the lease for 99 years by Article I of the Sino-Japanese Treaty of May, 1915. Thus the period of the lease became the same as those for Kowloon by Great Britain, Kwangchow Bay by France, and Kiaochow by Germany. According to the Supplementary Official Note, the lease was to expire in 1997 and therefore it will be effective for 67 years more. China first tried to recover the leased territories at the Paris Peace Conference, to which no response was made on the part of the Powers. On December 3, 1921, however, China again requested the restoration of leased territories at the Far Eastern Committee meeting of the Washington Conference. According to the agreement reached at that time, Great Britain returned Weihaiwei in October, 1930, but she still holds Kowloon. France had declared her willingness to return Kwangchow Bay, but she has not carried out her promise yet.

The Railway Zone

The Railway zone in Manchuria is different from either leased territories or concessions in its nature. It is under the administration of the Japanese Government and the area of the zone is at present a little over 16 square Ri (1 Ri=2.44 miles). The railway zone came into existence by Article VI of the Russo-Chinese Treaty of August, 1896, which states:—

"Land required for the construction, management and protection of the railway or land required for digging out gravel, stones, and coal shall, if owned by the government, be handed over to Russia free of charge by the Chinese government, and if owned by private individuals, shall be sold in accordance with the market price.

The company shall have an absolute right over those lands

JAPAN'S RIGHT TO LEASE LAND AND OTHER RIGHTS; CHINA'S VIOLATIONS OF THESE RIGHTS

Foundation of the Lease Right

Japan's lease right in Manchuria and Mongolia is based upon "the Treaty Relating to South Manchuria and Eastern Mongolia." In Article 2, it is stated, "the subjects of Japan have the right to lease land necessary for the construction of commercial or industrial buildings or for engaging in agriculture." Also in the supplementary document the right is confirmed as shown by the following clause: "The term 'lease' covers a period of 30 years and includes also the right of renewal without condition."

Renewal without condition means practically the ownership of land. It is provided: "No matter whether the other party wishes renewal or not, the lease right remains valid without requiring either any step for the conclusion of new agreements or the payment of any price."

The right is definitely stipulated in the treaty, but in reality it is mostly infringed upon by the Chinese authorities.

Presidential Ordinance Interfering with the Lease Right

The former Peking Government promulgated the Traitor Punishment Ordinance by order of the President, according to which any person who privately makes an agreement with a foreigner and injures the national right shall be considered a traitor and be punished with death. The wording of the ordinance is somewhat vague, but in meaning it is clear that any one who makes a contract of lease in accordance with the treaty shall be put to death. For the enforcement of this law, the delay of half a year was asked, during which period China formulated regulations and interfered with the lease of land. The Chinese Government is still pursuing this policy. Owing to this hostile attitude of the Chinese authorities, the land and business management of Japanese residents has completely failed.

Pressure Upon the Industrial Rights

The right of the Japanese to engage in industries in Manchuria is fully recognized by the Japan-China Treaty of 1915. However, the oppression of the Chinese authorities is such that various lines of industries are destined to gradual decay.

In the case of the Manchurian Spinning Company, which is a Japanese corporation, for example, the Chinese authorities, in order to protect the products of the Mukden Spinning Mill, which is a Chinese corporation, have heavily taxed the former's products without recognizing the privilege for the exemption of tax previously obtained from the Peking Government by the Manchurian Spinning Company. Also, they have tried to undermine the business of the South Manchurian Sugar Company by holding up its supply of raw materials. The North Manchurian Electric Company in Harbin, one of the most influential Japanese enterprises in North Manchuria, used to supply electricity quite widely in Harbin and vicinity. But the Chinese have

ANTI-JAPANESE AGITATION AND EDUCATION

Principal Events of the

1. **The Tatsu Maru Incident.**
This began with the protest lodged Tatsu Maru in March, 1903, and ended
2. **The Antung-Mukden Railway Incident.**
In 1909 from August to October, Manchuria was vigorously carried out. The with the rebuilding of the railway be
3. **Sino-Japanese Parley Incident.**
At the time of signing the Sino-Japanese Treaty, Japanese goods were first started in October.
4. **Shantung Problem.**
Owing to the unfavorable settlement Peace Conference in 1919, a great anti-Japanese movement broke out over China on the National Humiliation Day.
5. **The Recovery of Port Arthur and Dairen.**
The boycott against Japan, started recovery of Port Arthur and Dairen. The centre of activity was in central Manchuria with Japan was finally declared.
6. **The May 30 Incident.**
The May 30 incident, so called because of a strike of Chinese laborers at a nation-wide strike and the boycott of localities.
7. **The Shantung Incident.**
Owing to the outrages in Nankin Japan dispatched troops to Shantung in 1928; as a measure of protest against the of Anti-Japanese groups in many places.
8. **Tsinan Incident.**
The dispatch of troops in 1928 to recover gave rise to the Tsinan incident. A Anti-Japanese Society was formed and were conducted unscrupulously.
9. **Wanpaoshan Incident.**
This incident was due to the dispute the rice-fields of Korean farmers at Wanpaoshan. Anti-Japanese societies were organized in the middle of July, to agitate against the Japanese.
10. **Manchurian Affair.**
The self-defensive action of the Manchuria according to the Sino-Japanese Treaty, the destruction of some lines near Mukden the 18th September, 1931 by the Chinese. Anti-Japanese movement throughout Manchuria, conducted by the Kuomintang (the Chinese Nationalist Government), a boycott, but may be called a war.

Economic Blockade

The cases of Anti-Japanese economic measures. China resorted to the Japanese goods. The Chinese, not only non-purchase of Japanese goods, but also the non-purchase of Japanese goods.

proper.

If Japan had not driven Russia out of Manchuria, Manchuria and Mongolia would today be in the possession of Soviet Russia. China would also be on the verge of national disintegration.

But China does not recognize Japan's interests as represented by her investment, blood, effort, and sacrifice. On the contrary, she endeavours to ignore the rights of Japan acquired by the treaties, resorting to unscrupulous measures, and is doing all she can to drive out Japan from Manchuria and Mongolia.

Japanese Population in Manchuria and Mongolia

Name of place	
Newchuang	11,749
Liaoyang	12,303
Mukden	127,468
Antung	63,542
Chientao	397,193
Tiehling	15,703
Chengchiatun	1,871
Changchun	21,114
Kirin	18,643
Harbin	36,830
Tsitsihar	9,779
Manchouli	406
Chihfeng	1,482
Total in Manchuria	718,083
Total in Kanto District	117,846
Grand total	835,929

Japan's Investment in Manchuria and Mongolia

Investment through loans	yen
Investment through corporate enterprises	238,062,342
Investment through personal enterprises	1,135,351,929
Total value	94,991,560
Classification of enterprises	1,468,405,831
Transportation	822,303,999
Manufacturing industry	105,620,605
Commerce	117,752,987
Electricity and gas	37,054,558
Financial operation	204,338,826
Insurance business	325,000
Agriculture and forestry	23,310,822
Mining	99,785,867
Enterprises not otherwise recorded	57,913,147
Total value	1,468,405,831

Imports and Exports in Manchuria

Country	EXPORTS (H.K. Tls.)		
	1930	1929	1928
Japan	98,485,990	114,717,334	107,517,682
Korea	2,614,117	2,426,727	3,433,780
Hongkong	5,173,756	5,501,593	5,823,055
British India	9,037	7,839	4,000
Dutch Indies	6,083,012	7,037,951	6,204,272
Russia (Pacific Coast)	310,201	635,828	103,279
Other Asiatic Countries	2,460,633	2,477,226	2,261,350
Britain	10,241,302	21,591,656	13,509,018
France	887,290	1,068,642	1,034,095
Netherlands	34,727,721	29,703,478	16,262,558
Belgium	1,636,535	321,950	232,776
Germany	3,279,591	1,315,730	1,560,163
Sweden	195,385	401,710	194,301
Italy	683,174	4,881,722	5,365,681
Other European Countries	435,099	192,319	89,720
Canada	306,428	435,297	62,332
U. S. A.	6,180,483	9,993,626	6,763,611
Other American Countries	76,700	150,391	546,495
Africa	—	—	—
Australia	2,553	15,492	273,044
Other Countries	9,134,347	34,919,553	17,118,664
Total	182,943,354	237,801,064	188,359,876

Country	IMPORTS		
	1930	1929	1928
Japan	75,930,994	83,261,487	66,070,082
Korea	1,895,392	1,532,542	1,118,872
Hongkong	9,134,333	11,394,824	9,043,592
British India	1,189,855	1,780,334	2,904,618
Dutch Indies	426,729	408,107	315,483
Russia (Pacific coast)	371,089	682,777	139,463
Other Asiatic Countries	159,800	202,657	117,863
Britain	9,890,456	9,320,656	6,155,367
France	802,609	899,269	2,126,032
Netherlands	1,243,510	922,847	624,685
Belgium	2,842,759	4,962,532	3,182,469
Germany	11,498,871	7,650,403	6,146,190
Sweden	373,303	147,733	162,634
Italy	596,505	1,459,372	532,037
Other European Countries	142,782	124,711	109,574
Canada	760,653	3,239,305	394,922
U. S. A.	18,395,060	22,247,085	17,695,208
Other American Countries	104,005	561	920
Africa	—	30,060	—
Australia	286,785	9,565	37,999
Other Countries	521,510	900,165	168,213
Total	136,829,156	151,176,992	117,046,243

but Japan's protest against the plan of laying the parallel line between Fakumen and Shinmintun was based on this agreement and the Chinese Government had at last to accept it. Then again, when she tried to cooperate with an American concern to build the Chinchow-Aigun Railway, the Sino-Japanese agreement prohibiting parallel lines was very effective, and China herself had to recognize the validity of this agreement. The building of the Ta-tung line, Shen-hai line, and Ki-hai line is clearly in violation of the treaty concerning Japan's special rights.

Railway Problems

(1) Ta-tung line: This line connects the Ssuningkai-Taonan Railway and the Peiping-Mukden line. It is a main line together with the Taonan Angangchi, Ssuningkai-Taonan, and Chengchiatun-Tungliao lines parallel to the S.M.R. in the west. China, infringing upon the Sino-Japanese Treaty relating to Manchuria, planned to build it in 1922. Ignoring Japan's strong protest, China went ahead with its construction and completed the work in December, 1927.

(2) Kirin-Hailung line: This line together with the Mukden-Hailung line constitutes the main line parallel to the S.M.R. in the east. China also promised to lease these lines to Japan in a note exchanged concerning the four railways in Manchuria and Mongolia in 1918, but the Chinese authorities began to build the Kirin-Hailung road in cooperation with the Kirin people without consulting Japan at all. Ignoring Japan's note of protest, the line was opened in August, 1929, and it is now planned to join the Kirin-Changchun, and the Kirin-Tunhua lines.

(3) The account dispute in the construction expenditure of the Taonan-Angangchi Railway: The S.M.R. had the contract for this line, and it was completed in July, 1926, being handed over to China in December of the same year, but even now the Chinese authorities refuse to pay the price agreed on.

(4) The question of the adviser to the Taonan-Angangchi Railway: It has been agreed to have a Japanese adviser to supervise all the accounts, and his signature was to be affixed together with that of the chief executive of the railway to all papers of expenditure, but China has ignored this agreement.

(5) The connection problem of the Peiping-Mukden and Mukden-Hailung Line: By the Sino-Japanese agreement concerning the extension of the Peiping-Mukden line, the Mukden-Hailung and Peiping-Mukden lines are not allowed to be connected; in spite of this agreement, China connected these two lines in March, 1927.

(6) The connection problem of the Kirin-Hailung and the Kirin-Changchun line: After the completion of the Kirin-Hailung line, ignoring Japan's protest, China sent a request to allow her to make the freight connection of the Kirin-Changchun and the Kirin-Hailung lines, but Japan did not consent to it and the matter was dropped.

(7) The construction expenditure problem of the Kirin-Tunhua line: The construction of this line was contracted for by the S.M.R. and when completed in October, 1928, it was handed over to China, but since then three years have passed, and the construction cost has not been paid. Moreover, China has not appointed a Japanese chief accountant as agreed.

(8) The loan adjustment problem of the Ssuningkai-Taonan line: The time limit of the loan adjustment totalling ¥32,000,000 expired at the end of May, 1926, and Japan demanded the adjustment, but China did not respond. As the result, the interest up to May, 1929, amounts to more than ¥10,000,000.

Lines Parallel to South Manchuria Railway, and those Enveloping S.M.R.

(1) Parallel railways financed with Chinese capital are as follows:—

Ta-tung Railway (251.5 kilometers from Tahushan station of Pei-ning line to Tungliao).

Shen-hai Railway (236.6 kilometers, main line from Shen-yang to Hailung and also branch line from Meihokou to Hsian).

Ki-hai Railway (205.2 kilometers, from Hailung to Kirin). Kai-feng Railway (64.4 kilometers, from Kaiyuan to Hsifeng; this is a light railway).

(2) Enveloping Railways financed by Chinese capital are as follows:—

Tsi-ang Railway (12.9 kilometers, Angangchi to Tsitsihar). Hu-hai Railway (220 kilometers, from Sungpu, opposite Harbin, to Hailun).

Tsi-ku Railway (from Tsitsihar to Kushan). Tao-so Railway (from Tao-an to Solun, under construction).

In regard to the total mileage of these railways, the parallel lines only amount to 757.7 kilometers and with the enveloping lines added, the total distance is 991 kilometers. Furthermore it is said that the Chinese plan to envelope the S.M.R. lines on quite a large scale and the tentative lines already announced involve 55 lines altogether. With such plans in addition to the completion of Hulutao harbor, China seems to intend to undermine the whole foundation of Japan's rights and interests in Manchuria.

and no taxes or any kind shall be levied on any of the company's income or wages, etc."

Japan has obtained the above right by transfer in accordance with Articles I of the Sino-Japanese Treaty of 1905 on Manchuria. The general administrative authority in connection with civil engineering, education, and sanitation are entrusted to the South Manchuria Railway. At present, there are about 91,000 Japanese and no less than 290,000 Chinese residing in that district.

With the view of maintaining the security of lives and property of the Japanese and Chinese residents and of promoting educational and sanitary institutions, Japan through the South Manchuria Railway, has spent a huge sum of money for a number of years. As a result, an ever increasing migration of Chinese has come over to Manchuria, and industries on modern lines have sprung up in this region.

Historical Survey of Foreign Concessions

The term "foreign concessions" means the districts set apart for foreigners' residence in the principal commercial cities of China. Although they are parts of Chinese territory, the administrative authority belongs to the Powers concerned. The most prosperous and also the oldest foreign concession is the international concession of Shanghai, which came into existence by the Supplementary Treaty between Great Britain and China of 1843. This concession was not acquired by force, but was ceded to Britain from the standpoint of mutual convenience with a view to making it a foreign residential district. More foreign concessions were established later in other commercial centres, and today there are more than ten concessions.

Foreign concessions may be divided into two categories: those belonging exclusively to one country and those under international control. In any case, foreign concessions have been not only the safety zones for foreign residents but also the districts through which foreign trade has been developing. Moreover, some Chinese politicians and millionaires, as well as numerous industrialists, businessmen, and laborers have come to reside in foreign concessions in order to enjoy the security of their lives and property. In consequence, the Chinese residents have so increased as to outnumber the foreign residents.

Present Condition of Foreign Concessions

During the Great War, China succeeded in recovering the German, Austrian, and Russian settlements and concessions. In January, 1927, the National Government of the South recovered the British concessions at Hankow and Kiukiang by force. The British Government returned its two concessions at Chinkiang and Amoy in 1929 and 1930 respectively. In March, 1929, Belgium agreed to relinquish her Tientsin concession. At the end of 1930, the National Government requested both Japan and France to return the Hankow concession. The French Minister to China, Monsieur Welden, is said to have answered that he would like first to ask for the permission to keep an airplane at the Legation. What he was driving at was this—the time is not yet ripe for the relinquishment of foreign concessions in a country where the prevailing condition is so chaotic that a foreign minister might unexpectedly have to escape by airplane to a place of safety.

Problems of Foreign Troops Stationed in China

At present, the troops of several Powers are stationed along the route between the legation quarter at Peiping and the sea-coast. This practice is based on Articles VII—IX of the Boxer Protocol of 1901; it ensures not only the communication between Peiping and the sea-coast, but also the safety of foreigners residing in Northern China.

Japan is entitled to station 15 soldiers per 1 kilometer along the South Manchuria Railway lines—that is, about 15,000 soldiers altogether in Southern Manchuria, in accordance with various agreements such as the Chinese Eastern Railway Treaty of 1896, (sometimes called the Casini Treaty) Article V; the Russo-Japanese Peace Treaty—Supplementary Section, Part I; the Russo-Japanese Protocol, Article V; and the Supplementary Agreements, Article II. Great Britain, France, and Japan have maintained their troops in Shanghai without any treaty stipulations since the May 30 incident of 1926.

These practices, China has contended, have been carried on in defiance of China's sovereignty. However, having witnessed deplorable incidents at Nanking, Hankow, and Tsinan and having taken into account that China is not yet free from internal strife, the maintenance of foreign troops is considered indispensable for safeguarding lives and property of foreigners and for protecting commerce. China also looks upon foreign warships freely frequenting the Chinese coast and interior waters as a practice in defiance of China's sovereignty. However, the practice is still considered necessary and it cannot yet be dispensed with, due to the chaotic conditions in China.

now established their own electrical works with a capital of ¥4,000,000, in co-operation with the officials of Kirin Province. As a result, they have now their own 5,000 kilowatt power station, and have confiscated the franchise for building a tramcar line from the North Manchurian Electric Company and are even trying to deprive the electric light business of its rights. The Chinese authorities also resort to police persecution to force subscribers to change the source of their electric light supply. These instances are cited to give an idea of Chinese persecution to which the Japanese enterprises are subjected.

Interference with the Mining and Forestry Rights

It is definitely stipulated in the Agreement of 1909 on the five Manchuria problems that the mining industry along the main lines of the South Manchurian Railway and the Antung-Mukden Line shall be jointly operated by Japan and China. The Chinese Mining Act recognizes the right of operating mines by a corporation jointly financed by foreigners and Chinese. In spite of these facts the Chinese authorities unlawfully attempted to deprive Japan of the legitimate right of mining in Manchuria and Mongolia and even lodged a protest against Japan's right to carry on the oil shale industry in Fushun, saying that no such right is stipulated by the treaty. A similar step was taken by the Chinese authorities in lodging a protest against the coal mining of the Penhsihu Coal & Iron Works which industry has been conducted during the past 22 years under the joint management of the Okura Company and the Mukden authorities by legitimate contract. Many other mining rights once ceded to the Japanese have been unlawfully confiscated.

The Japan-China Treaty of 1915 definitely confirms Japan's right of engaging in the forestry industry in South Manchuria, but China ignores this right by resorting to domestic legislation and other measures. In Kirin, Japanese firms such as the Fuji Paper Co., Mitsui, Okura and others that have invested a considerable amount of capital, have been subjected to persecution at the hands of the Chinese authorities, and have suffered considerable losses. All these industries have been forced to suspend operations.

Violation of the Right of Residence

The residential right in Manchuria and Mongolia was confirmed by the treaty of 1915 between Japan and China. This right of residence, based on the policy of equal opportunity, is open not only to the Japanese, but also to all other nationalities. In obtaining this right Japan aimed at the opportunity of purchasing raw materials, trading in merchandise and carrying on economic activities in Manchuria and Mongolia.

If the Japanese and other foreigners could reside and travel freely, engaging in all kinds of industrial and commercial activities in accordance with the provisions of this agreement, the economic development of Manchuria would be greatly facilitated. China, however, has placed all sorts of obstacles in the way. For example, the Governor of Mukden requires landlords who rent houses to the Japanese in the city not to renew the lease when the term of lease expires. Leases with long terms are required to be revised and the terms made no longer than two years. On account of these regulations, the number of the Japanese residing in the city of Mukden has decreased. There were 130 Japanese families in Mukden in 1927, but there are now only 23 families. Furthermore, evacuation of the Japanese was demanded in such places as Liaoning, Taonan, Nungan, Anta, Fakumen, Taolaichao, Shihtoutzu, Antung, Maoershan, etc. In some of the places mentioned above, there is not at present a single Japanese resident.

Examples of Persecutions of Koreans

It was during June, 1931, that China insisted on the removal of the dam work on the Itung River of Wanpaoshan and forced the Korean farmers to sow seeds dry, but Japan insisted that as the Koreans were not accustomed to sowing seeds dry, it was impossible to follow this practice. It was also pointed out that already the seeding time had passed and that wet sowing should be allowed. This state of things gave rise to the Wanpaoshan Incident. As a matter of fact, the persecution of the Koreans in Manchuria by the Chinese authorities has been notorious and intolerable. At present, though the exact number of the Koreans in Manchuria cannot be ascertained, it is estimated at more than 800,000, of which 99% is engaged in agriculture. These Koreans leased paddyfields from the Chinese land owners, but during the past few years, the Chinese authorities have prohibited the lease of land to the Koreans and merely recognized the hire contract. Thus entirely depriving the Koreans of their rights of independent farming many secret orders restricting the dwelling of the Koreans have also been issued, and during the year 1928, deportation orders were issued in more than four hundred places.

cited in Item 5. The methods

1) Prohibition of supply of r
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the Chinese in Japanese employ
the Japanese banks and non-us

This caused directly or in
Chinese trade, inactivity of Jap
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be summarized as follows:

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3. But as a matter of fact, the
interest of the people, but is a car
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The Problems of Unfair Freight

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concluded by China and Japan
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Hats and paper products are a
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The Anti-Japan

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Anti-Japanese. (1) Japan's a
(2) Japan's methods of invadin
invasion of China; (4) Japanes
which China should adopt toward
but falsely stated. In addition
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RELATIONS BETWEEN JAPAN AND CHINA

ED BY COMMERCE AND INDUSTRY

31

How Does China Violate the Treaty Rights of Japan?

ATION IN BUSINESS UCATION

Anti-Japanese Agitation

by Japan concerning the seizure of the in November of the same year. ident. the boycott of Japanese goods in Man- agitation was started in connection between Antung and Mukden.

anese treaty in May, 1915, the agitation at Hankow spreading all over China

nt of the Shantung problem at the Paris li-Japanese movement was started all tion Day (May 7) and continued till

Dairen.

in connection with the movement for in April, 1920, continued till August. China and the severance of economic ed.

use of its origin on May 30, 1923, started Japanese cotton mill in Shanghai, and of foreign goods took place in many

g and Tsinan, the Tanaka ministry of 1927 to protect the Japanese nationals his step, China conducted the boycott

protect the Japanese nationals at Tsinan systematic Anti-Japanese organization, d campaigns against Japanese goods

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apanese troops, which are stationed in ese treaties, against the outrageous n of the South Manchuria Railway on ese army has given rise to a vehement China. The movement is purposely inese Government party), and is not hout resorting arms against Japan.

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the agitation as cited above in in, but were treated as economic the boycott and non-purchase of t being satisfied with the boycott goods, adopted in 1923 a new easte relations with Japan as

PROBLEMS OF CONSOLIDATING LOANS

Brief History of China's Foreign Loans

Since the Sino-Japanese War and the Boxer Rebellion, China has been incessantly subjected to internal strife and commotion, and the national finance has been extremely distressed. Naturally the raising of loans was deemed the best measure by both the central and local Governments for extricating themselves from financial difficulties. This policy was recklessly carried out, and at last the foreign loans accumulated to the huge amount of 2,000,000,000 Yuan. During the year 1923, the Loan Consolidation Committee was appointed, comprising many financial leaders, both native and foreign, and also the representatives of the Four Power Loan Syndicate, in order to effect a thoroughgoing investigation and consolidation of these loans with the officials of the Chinese Government. However, the difference between the amount of loans shown by the Chinese Government and that shown by the creditor countries was too wide and no agreement was reached in these negotiations.

Later, however, in pursuance of the Nine Power Treaty of the Washington Conference, the International Conference of Chinese Customs was convened, and it was definitely recognized that the imposition of a 2½% additional duty on the import duty was to be made and many Conferences were held by the interested countries for discussing the use of the proceeds. Consequently, during May, 1929, the appendix to the Japan-China Customs Convention was signed, which provided that 5,000,000 Yuan should annually be transferred from the above proceeds to the redemption fund, and, though the payment of the principal and interest of both domestic and foreign loans, which are secured by the customs duty, has been effected, this payment being placed under the control of the Inspector General of the Customs, the remaining foreign loans have been deplorably neglected. This is especially the case with such loans as the so-called Nishihara Loans; the national Government does not even recognize their existence, and the Ssu-tao Railway Loan and the Tao-ang Railway Loan have also been entirely neglected.

Principal Facts of Nishihara Loans

The first Nishihara Loan of Japan was contracted by the Chinese Government, its Communication Department taking the principal part during September, 1917, in order to meet pressing financial needs. This loan, which amounts to ¥20,000,000 was raised by the Bank of Communications of China through the intermediation of Mr. Kamezo Nishihara and up to September, 1918, during the short period of one year, loans accumulated to the large sum of ¥145,000,000. However, due to non-payment of both the principal and interest, the Japanese banks accepting these loans were greatly distressed. Consequently, during the fifty-first session of the Japanese Imperial Diet (1926), the law of consolidating the Nishihara Loans was passed and the Japanese Government took over the loans from the banks.

The particulars of the above loans are as follows:—

Ki-hei Forestry Mining Loan	¥ 30,000,000
War Fund Loan	¥ 20,000,000
Bank of Communications Loan	¥ 20,000,000
Two Shantung Railway Loans	¥ 20,000,000
Four Mongolia and Manchuria Railway Advances	¥ 20,000,000
Flood Relief Loan	¥ 5,000,000
Telegraph Installation Loan	¥ 20,000,000
Kihui Railway Loan	¥ 10,000,000
Total	¥ 145,000,000

In addition to the above, there is a considerable amount of

TREATIES AND REGULATIONS GOVERNING FOREIGN ENTERPRISES IN CHINA

Japanese Rights of Industrial Enterprise

The future development of industries in China under Japanese control was anticipated by the Japanese Government and the Shimonoseki Treaty was concluded in 1895. Thus the following clause was inserted in the treaty:—

"Japanese subjects shall be free to engage in all kinds of manufacturing industries in all the open cities, towns, and ports of China, and shall be at liberty to import into China all kinds of machinery, paying only the stipulated duties thereon."

"All articles manufactured by Japanese subjects in China shall in respect of inland transit and internal taxes, duties, charges and exactions of all kinds, and also in respect of warehousing and storage facilities in the interior of China, stand upon the same footing and enjoy the same privileges and exemptions as merchandise imported by Japanese subjects into China." (Article vi, part 4).

Again, by the conclusion of the Sino-Japanese Commercial Treaty in 1896, the following provisions were agreed upon:—

"Japanese subjects may, with their families, employes, and servants, frequent, reside and carry on trade, industries and manufactures, or pursue any other lawful vocations in all the ports, cities, and towns of China, which are now, or may hereafter be, opened to foreign residence and trade. They are at liberty to proceed to or from any of the open ports with their merchandise and effects, and within the localities at those places which have already been, or may hereafter be, set apart for the use and occupation of foreigners, they are allowed to rent or purchase houses, rent or lease land, and to build churches, cemeteries, and hospitals, enjoying in all respects the same privileges and immunities as are now, or may hereafter be, granted to the subjects or citizens of the most favoured nations."

"The Japanese Government recognizes the right of the Chinese Government to tax with discretion the goods produced by Japanese nationals in China provided that the said taxes should not be different from or more than those imposed on the similar goods produced by the Chinese nationals" (Supplementary Treaty, Article iii).

Restriction of Japanese Rights of Industrial Enterprise

(A) Geographical Restrictions

Although China recognized Japanese rights of industrial administration in open ports by the Shimonoseki Treaty of 1905, Great Britain among other Powers was particularly dissatisfied with the areal limitation placed on the industrial administration rights. With the view of extending its application to all parts of China, Great Britain demanded their extension when she concluded the Anglo-Chinese Revision Treaty in 1902—known as the MacKay Treaty. The Chinese Government, still clinging to her traditional policy, did not concede to the British demand, and no change has yet been made. China expressed her intention of prohibiting foreign industrial and manufacturing undertakings in the marts opened for foreign trade, apart from open ports. In short, the marts opened for foreign trade are for commercial purposes only. There are twenty-four marts opened for foreign trade including such places as Woosung, Tsingtao, Santiao and Tsinan (among twenty-four, nine marts have not been as yet opened).

Within recent years, however, China set a novel example with regard to Tsingtao (Kiaochow). Due to the existence of foreign-managed industries, which had previously existed, China treated the said district as an exception and allowed those industries to remain as before.

(B) Limitation of Japanese Investments

Previous to the MacKay Treaty, any joint-capital business under Chinese and foreign management had been prohibited. But by the MacKay Treaty China recognized the right of Chinese to own shares in British companies and vice versa. The same principle was recognized regarding Japan in 1903.

According to the present Chinese Corporation Laws, the fundamental principle is that there should be no distinction with regard to the nationalities of employees in Chinese companies and of shareholders. Therefore, at first sight, it looks as if there were no limitation or restriction placed on foreign investments. But should Chinese companies be located outside of open

EXTRATERRITORIALITY

(Consular Jurisdiction)

Historical Background of Extraterritoriality

The origin of extraterritoriality—the privilege granted to foreigners in China of being exempted from the laws of China and of enjoying the rights and privileges of their respective countries (also called Consular Jurisdiction System)—dates back to the exchange of notes between the British and Chinese delegates after the conclusion of the treaty of Nanking in 1842.

Extraterritoriality was granted for the first time by the subsequent Anglo-Chinese Supplementary Treaty concluded in 1843. Since then, the other treaty Powers have, at various times, secured the same privileges. And it is obvious that the Powers did not secure extraterritoriality by forceful compulsion.

To the foreigners residing in China, extraterritoriality is a system by which their lives and property are safeguarded, but to the Chinese, it is an encroachment on China's territorial sovereignty. The Chinese Government has therefore been demanding the abolition of extraterritoriality. In the Sino-British Treaty of 1902 and Sino-Japanese and Sino-American Treaties of 1903, it is stipulated that extraterritoriality shall be abolished upon complete legislative reform on the part of China. Again, at the Washington Conference of 1922, a resolution was adopted as to the abolition of extraterritoriality, which resulted in the meeting of the investigating committee composed of representatives of the Powers at Peking in December 1925. The result of the committee meeting reported in July of the following year was the conclusion that the time was not quite ripe for the immediate relinquishment of extraterritorial jurisdiction in view of the unsatisfactory nature of China's legislation, court and police systems.

Status of Each Power

Since the establishment of the National Government, particularly in recent years, China has been earnestly requesting the Powers to give up their extraterritorial rights.

China has succeeded in having the consular jurisdictions of Germany, Russia, and a few minor Powers removed. She induced Austria to promise abolition by the treaty of 1925. Belgium, Italy, Portugal, Denmark, and Spain realized that the time was not ripe yet in China for the removal of extraterritoriality at the Committee meeting of 1926, but the National Government induced them to accede to the following clause, effective from January 1930:—

"The citizens of either of the contracting Powers residing in the other's country shall obey the laws and jurisdictions of such country." However, due to the most favoured nation clause, this has not been put into practice yet.

Similar agreements relating to the abolition of extraterritoriality were concluded in April, 1931, between Dr. C. T. Wang, the Chinese Minister of Foreign Affairs, and the Dutch Minister and also the Norwegian Minister. But in the case of the Sino-Dutch agreement, it does not bind the Netherlands until other

FOREIGN TRADE & COASTAL TRADE

China's Foreign Trade Direct Imports (Gross)

Country	1921		1930	
	HK. Tls.	Percentage	HK. Tls.	Percentage
Japan (including Formosa)	210,359,237	22.55%	327,164,667	24.63%
U.S.A.	175,789,652	18.85%	232,405,941	17.50%
Hongkong	231,138,060	24.78%	218,369,933	16.44%
British India	35,380,635	3.79%	132,168,471	9.95%
Great Britain	149,935,615	16.07%	108,257,932	8.15%
Germany	—	—	69,105,357	5.20%
Dutch Indies	—	—	48,360,659	3.64%
French Indo-China	—	—	28,181,664	2.12%
Belgium and Luxemburg	—	—	27,456,827	2.07%
Other Countries	130,247,121	13.96%	136,760,335	10.30%
Total	932,850,340	—	1,328,231,966	—

China's Foreign Trade Direct Exports (Gross)

Country	1921		1930	
	HK. Tls.	Percentage	HK. Tls.	Percentage
Japan (including Formosa)	172,110,728	28.63%	216,555,242	24.20%
Hongkong	152,875,077	25.43%	158,018,135	17.66%
U.S.A.	69,541,816	14.89%	131,880,076	14.74%
Great Britain	30,913,956	5.14%	62,609,051	7.00%
Russia and Siberia	22,865,428	3.80%	55,413,027	6.19%
Netherlands	—	—	44,943,678	5.02%
Korea	15,097,250	2.51%	44,174,507	4.94%
France	23,945,151	3.98%	42,699,749	4.77%
Germany	—	—	23,361,413	2.61%
Turkey, Persia, Egypt, etc.	17,276,661	2.88%	22,150,223	2.48%
Singapore, Straits, etc.	19,461,388	3.24%	19,176,640	2.14%
Other Countries	57,168,082	9.50%	73,801,653	8.25%
Total	601,255,537	—	894,843,594	—

China's Trade with Japan

(Including Formosa, but not Korea)

Year	Export to Japan		Import from Japan	
	Value	Percentage	Value	Percentage
1917	105,773,819	—	221,666,691	—
1918	163,394,092	—	238,658,578	—
1919	195,006,032	—	246,940,997	—
1920	141,927,902	—	229,135,866	—
1921	172,110,728	—	210,359,237	—
1922	159,754,351	—	231,428,885	—
1923	198,517,346	—	211,024,297	—
1924	201,175,926	—	234,761,863	—
1925	186,337,037	—	299,755,611	—
1926	211,740,889	—	336,909,441	—
1927	208,838,810	—	293,793,760	—
1928	228,602,453	—	319,293,439	—
1929	256,428,320	—	323,141,662	—
1930	216,555,242	—	327,164,867	—

Tonnage of Vessels Engaged in the Carrying Trade to and from Foreign Countries and Between the Open Ports in China

Country	1921		1930	
	Tonnage	Percentage	Tonnage	Percentage
British	42,326,445	36.93%	57,246,927	36.79%
Japanese	31,738,783	27.69%	45,630,705	29.33%
Chinese*	31,791,479	27.74%	29,199,170	18.77%
American	4,510,901	3.93%	6,490,351	4.17%
German	—	—	4,245,842	2.73%
Norwegian	—	—	4,218,277	2.71%
Dutch	—	—	3,242,062	2.15%

SUMMARY OF POLITICAL AND ECONOMIC

COMPILED

THE OSAKA CHAMBER OF

19

What Economic Interests and Privileges Has Japan in China?

MANCHURIA, MONGOLIA AND JAPAN

Special Rights and Interests of Japan in Manchuria and Mongolia

The facts concerning our interests and privileges in Manchuria and Mongolia constitute a long story. Moreover, they are legitimate rights and have a vital bearing on the existence of our nation.

In order to understand the special footing of our country in Manchuria and Mongolia, it is necessary to retrace the relations between China and Japan that have existed since the Sino-Japanese War. After the war Japan obtained by the Shimonoseki Peace Treaty the cession of the region south of Newchwang and Haicheng in South Manchuria. But as a result of the intervention of the three Powers, Russia, Germany, and France, she had to return the region. But Dairen and Port Arthur, which China had taken back from Japan, were soon ceded to Russia. Russia was enabled to construct the Chinese Eastern Railway and China also concluded with Russia a secret treaty for offensive and defensive alliance against Japan. In 1900 at the time of the Boxer Rebellion, Russia despatched her army to Manchuria and occupied important places and even tried to invade Korea. In the midst of such a crisis jeopardizing the peace of the Far East, China remained indifferent and took no step. But to Japan the Russian advance toward the south meant the life or death of the country, and there was no choice but to fight, even risking the independence of the nation. Fortunately for Japan, she won. By virtue of the Portsmouth Treaty of 1905, Japan took over the Russian right to lease the Liaotung Peninsula and the right to the branch line of the Chinese Eastern Railway south of Kwang-chengtzu, and other rights. In December of the same year China recognized these rights by the Peking Treaty, and the extension and revision of this treaty was planned later by the Sino-Japanese Treaty of 1915.

At the time of the Russo-Japanese War, China had a secret agreement for offensive and defensive alliance with Russia, which in itself was enough to make Japan the lawful holder of South Manchuria south of Changchun, without troubling China to recognize the aforesaid rights there.

Japan, however, did not swerve an inch from the path of righteousness and was satisfied with no more than the guarantee of Manchuria against any further aggression of other Powers and the acquisition of a special economic position in Manchuria in return for the sacrifices she had made.

Since the Russo-Japanese War, Japan has done her best to maintain peace and to accomplish the peaceful development of Manchuria. The enormous amount of money invested there may be estimated at more than a billion yen, in consequence of which Manchuria has made great progress economically. Facilities for communications were introduced and the farm products increased. Manchuria is now considered the richest and most peaceful region in China. The population has increased during the past twenty years from five or six million to 30 million, more than a million immigrants per annum still pouring in steadily from China proper.

PROBLEMS RELATING TO RAILWAYS

The South Manchuria Railway

The South Manchuria Railway was a section of the branch line of the Chinese Eastern railway from Harbin to Port Arthur and Dairen, the charter for which was acquired by Russia by the Russo-Chinese Treaty of March, 1898. The section south of Changchun was ceded to Japan by the Portsmouth peace negotiations (Articles 5 and 6 of the Manchurian Treaty, 1905). According to Article 12 of the Russo-Chinese Treaty concerning the management of the Chinese Eastern Railway of September 8, 1896, the same line can be restored to the Chinese Government on the payment of a certain price after 36 years counting from the day when the operation started (July 1, 1903). At the expiration of the period of 80 years, the railway line and all the property thereof were to be given up to the Chinese Government, but by the Sino-Japanese Treaty of May, 1915, the period of lease of the line was extended to 99 years and by the annex to the treaty it was stated that "the leasehold period of the South Manchuria Railway expires in the year 2002." The clause relating to the restoration of the line to the Chinese Government was struck out, and the right will remain valid for 71 years more.

The Antung-Mukden Railway, now a part of the South Manchuria Railway, but formerly a military light railway, was rebuilt in accordance with Article 6 in the Agreement annexed to the Sino-Japanese Treaty on Manchuria in December, 1905. This line, too, was to have been sold back to China according to the evaluation of a disinterested third person in 1923, but this period also was extended to 99 years by Article 1 of the Sino-Japanese Treaty of May, 1915, and according to the annexed public statement, the period of the lease expires in 2007 and so the right remains valid for 76 years more.

Agreements on Railway Rights

China by laying and operating lines parallel to the S.M.R. is violating the rights and interests of the Japanese railways. The right to lay railways is originally based upon the third chapter of the appendix concerning the lease of Port Arthur and Dairen concluded between Russia and China in April, 1898, which provides: "Russia agrees that though the terminus of the branch line of the Siberian railway may reach Port Arthur and Dairen, it shall not reach any other place on the shores of the peninsula and also both countries agree that no other Power shall obtain the right of laying a railway in the territories where the branch line is passing and it is not Russia's concern even if the extension of the Chinese Shanhaikwan railway may come near that branch." According to this treaty, the interests in the districts through which the branch line of the Siberian Railway, that is, the S.M.R., passes must not be handed over to a third party, and even China herself is allowed to lay only the Shanhaikwan Railway, or the present Peiping-Mukden line, in the vicinity of the S.M.R. This right which Russia possessed was completely taken over by Japan by Article 1 of the Sino-Japanese Treaty concerning Manchuria in 1905.

But the last part of the third article of the Russo-Chinese treaty somewhat lacking clearness in its meaning, Japan further provided in Article 3 of the agreement between China and Japan concerning Manchuria, in order to protect the interests of the S.M.R., that China before its restoration agrees that any parallel line or any branch line which may injure the interests of that railway shall not be laid, and this treaty is today still effective.

China does not regard this agreement as a regular treaty, but Japan's protest against the plan of laying the parallel line

LEASED TERRITORIES, CONCESSIONS AND FOREIGN TROOPS

Historical Background of Leased Territories

Although China had ceded the Liaotung peninsula by the Shimonoseki Peace Treaty following the Sino-Japanese War, she later succeeded in compelling Japan to return the peninsula through the intervention of three great European Powers, namely, Russia, Germany, and France. Later on, in March, 1898, Germany, captured Kiaochow on the pretext of the murder of a German missionary. In the same year, Russia leased Port Arthur and Dalny. Following the German and Russian examples, France secured Kwangchow Bay on the coast of Kwanghsi in April, 1898. Great Britain, too, leased Kowloon, on the opposite side of Hongkong, and Weihaiwei in June and July of 1898 respectively to counteract the Russian policy. The lease of Weihaiwei was stipulated to extend as long as Russia held Port Arthur and Dalny.

Later on, Russia became a menace to the peace of Asia through her aggressive foreign policy in Manchuria and even jeopardized the position of the Japanese Empire. At last, this culminated in the Russo-Japanese War, as an aftermath of which the Russian rights in Manchuria were transferred to Japan.

Leased Territory of Kwantung Province

In accordance with Article V of the Treaty of Portsmouth, Japan acquired by transfer the leased territories of Port Arthur and Dalny (Dairen) from Russia, to which China gave her approval. Article III of the Sino-Russian Treaty on the lease of the Liaotung peninsula of 1898 provided that the lease might be extended by the agreement of both countries when it came to an end. The lease was to expire on March 26, 1923. But Japan obtained the extension of the lease for 99 years by Article I of the Sino-Japanese Treaty of May, 1915. Thus the period of the lease became the same as those for Kowloon by Great Britain, Kwangchow Bay by France, and Kiaochow by Germany. According to the Supplementary Official Note, the lease was to expire in 1997 and therefore it will be effective for 67 years more. China first tried to recover the leased territories at the Paris Peace Conference, to which no response was made on the part of the Powers. On December 3, 1921, however, China again requested the restoration of leased territories at the Far Eastern Committee meeting of the Washington Conference. According to the agreement reached at that time, Great Britain returned Weihaiwei in October, 1930, but she still holds Kowloon. France had declared her willingness to return Kwangchow Bay, but she has not carried out her promise yet.

The Railway Zone

The Railway zone in Manchuria is different from either leased territories or concessions in its nature. It is under the administration of the Japanese Government and the area of the zone is at present a little over 16 square Ri (1 Ri=2.44 miles). The railway zone came into existence by Article VI of the Russo-Chinese Treaty of August, 1896, which states:--

"Land required for the construction, management and protection of the railway or land required for digging out gravel, stones, and coal shall, if owned by the government, be handed over to Russia free of charge by the Chinese government, and if owned by private individuals, shall be sold in accordance with the market price.

The company shall have an absolute right over those lands and no taxes of any kind shall be levied on any of the company's

JAPAN'S RIGHT TO LEASE LAND AND OTHER RIGHTS; CHINA'S VIOLATIONS OF THESE RIGHTS

Foundation of the Lease Right

Japan's lease right in Manchuria and Mongolia is based upon "the Treaty Relating to South Manchuria and Eastern Mongolia." In Article 2, it is stated, "the subjects of Japan have the right to lease land necessary for the construction of commercial or industrial buildings or for engaging in agriculture." Also in the supplementary document the right is confirmed as shown by the following clause: "The term 'lease' covers a period of 30 years and includes also the right of renewal without condition."

Renewal without condition means practically the ownership of land. It is provided: "No matter whether the other party wishes renewal or not, the lease right remains valid without requiring either any step for the conclusion of new agreements or the payment of any price."

The right is definitely stipulated in the treaty, but in reality it is mostly infringed upon by the Chinese authorities.

Presidential Ordinance Interfering with the Lease Right

The former Peking Government promulgated the Traitor Punishment Ordinance by order of the President, according to which any person who privately makes an agreement with a foreigner and injures the national right shall be considered a traitor and be punished with death. The wording of the ordinance is somewhat vague, but in meaning it is clear that any one who makes a contract of lease in accordance with the treaty shall be put to death. For the enforcement of this law, the delay of half a year was asked, during which period China formulated regulations and interfered with the lease of land. The Chinese Government is still pursuing this policy. Owing to this hostile attitude of the Chinese authorities, the land and business management of Japanese residents has completely failed.

Pressure Upon the Industrial Rights

The right of the Japanese to engage in industries in Manchuria is fully recognized by the Japan-China Treaty of 1915. However, the oppression of the Chinese authorities is such that various lines of industries are destined to gradual decay.

In the case of the Manchurian Spinning Company, which is a Japanese corporation, for example, the Chinese authorities, in order to protect the products of the Mukden Spinning Mill, which is a Chinese corporation, have heavily taxed the former's products without recognizing the privilege for the exemption of tax previously obtained from the Peking Government by the Manchurian Spinning Company. Also, they have tried to undermine the business of the South Manchurian Sugar Company by holding up its supply of raw materials. The North Manchurian Electric Company in Harbin, one of the most influential Japanese enterprises in North Manchuria, used to supply electricity quite widely in Harbin and vicinity. But the Chinese have

ANTI-JAPANESE AGITATION AND EDUCATION

Principal Events of the

1. The Tatsu Maru Incident.

This began with the protest lodged by Tatsu Maru in March, 1908, and ended

2. The Antung-Mukden Railway Incident.

In 1909 from August to October, Manchuria was vigorously carried out. The rebuilding of the railway by

3. Sino-Japanese Parley Incident.

At the time of signing the Sino-Japanese Treaty of May 1915, Japan was first started in October.

4. Shantung Problem.

Owing to the unfavorable settlement at the Peace Conference in 1919, a great anti-Japanese movement broke out over China on the National Humiliation Day, December.

5. The Recovery of Port Arthur and Dairen.

The boycott against Japan, started in the recovery of Port Arthur and Dairen. The centre of activity was in central Manchuria with Japan was finally declared

6. The May 30 Incident.

The May 30 incident, so called because of a strike of Chinese laborers at a nation-wide strike and the boycott of

7. The Shantung Incident.

Owing to the outrages in Nanking, Japan dispatched troops to Shantung in 1928; as a measure of protest against the Anti-Japanese movement throughout

8. Tsinan Incident.

The dispatch of troops in 1928 to suppress the rise to the Tsinan incident. As the Anti-Japan Society was formed and the Anti-Japanese movement was conducted unscrupulously.

9. Wanpaoshan Incident.

This incident was due to the dispute over the rice-fields of Korean farmers at Wanpaoshan. A retaliatory riot of the Koreans again place. Anti-Japanese societies were organized in the middle of July, to agitate against

10. Manchurian Affair.

The self-defensive action of the Japanese in Manchuria according to the Sino-Japanese Treaty of 1915. The destruction of some lines near Mukden on the 18th September, 1931 by the Chinese Anti-Japanese movement throughout Manchuria, conducted by the Kuomintang (the Nationalist Government), but may be called a war

Economic Blockade

The cases of Anti-Japanese economic measures. Items 1 to 5 are political in origin. China resorted to the seizure of Japanese goods. The Chinese government has also non-purchase of Japanese goods and policy for the severance of economic

If Japan had not driven Russia out of Manchuria, Manchuria and Mongolia would today be in the possession of Soviet Russia. China would also be on the verge of national disintegration.

But China does not recognize Japan's interests as represented by her investment, blood, effort, and sacrifice. On the contrary, she endeavours to ignore the rights of Japan acquired by the treaties, resorting to unscrupulous measures, and is doing all she can to drive out Japan from Manchuria and Mongolia.

Japanese Population in Manchuria and Mongolia

Name of place	
Newchuang	11,749
Liaoyang	12,303
Mukden	127,468
Antung	63,542
Chientao	397,193
Tiehling	15,703
Chengchiatun	1,871
Changchun	21,114
Kirin	18,643
Harbin	36,830
Tsitsihar	9,779
Manchouli	406
Chihfeng	1,482
Total in Manchuria	718,083
Total in Kanto District	117,846
Grand total	835,929

Japan's Investment in Manchuria and Mongolia

	yen
Investment through loans	238,062,342
Investment through corporate enterprises	1,135,351,929
Investment through personal enterprises	94,991,560
Total value	1,468,405,831
Classification of enterprises	
Transportation	822,303,999
Manufacturing industry	105,620,605
Commerce	117,752,987
Electricity and gas	37,054,558
Financial operation	204,338,826
Insurance business	325,000
Agriculture and forestry	23,310,822
Mining	99,785,867
Enterprises not otherwise recorded	57,913,147
Total value	1,468,405,831

Imports and Exports in Manchuria

Country	EXPORTS (H.K. Tls.)		
	1930	1929	1928
Japan	98,485,990	114,717,334	107,517,682
Korea	2,614,117	2,426,727	3,433,780
Hongkong	5,173,756	5,501,593	5,823,055
British India	9,037	7,839	4,000
Dutch Indies	6,083,012	7,037,951	6,204,272
Russia (Pacific Coast)	310,201	635,828	103,279
Other Asiatic Countries	2,460,633	2,477,226	2,261,350
Britain	10,241,302	21,591,656	13,509,018
France	887,290	1,068,642	1,034,095
Netherlands	34,727,721	29,703,478	16,262,558
Belgium	1,636,535	321,950	232,776
Germany	3,279,591	1,315,730	1,560,163
Sweden	195,385	401,710	194,301
Italy	683,174	4,881,722	5,365,681
Other European Countries	435,099	192,319	89,720
Canada	306,428	435,297	62,332
U. S. A.	6,180,483	9,998,626	6,763,611
Other American Countries	76,700	150,391	546,495
Africa	—	—	—
Australia	2,553	15,492	273,044
Other Countries	9,134,347	34,919,553	17,118,664
Total	182,943,354	237,801,064	188,359,876
Country	IMPORTS		
	1930	1929	1928
Japan	75,930,994	83,261,487	66,070,082
Korea	1,895,392	1,532,542	1,118,872
Hongkong	9,134,333	11,394,824	9,043,592
British India	1,189,855	1,780,334	2,904,618
Dutch Indies	426,729	408,107	315,483
Russia (Pacific coast)	371,089	682,777	139,483
Other Asiatic Countries	159,800	202,657	117,863
Britain	9,690,456	9,320,656	6,155,367
France	802,609	599,269	2,126,032
Netherlands	1,243,510	922,847	624,685
Belgium	2,842,759	4,962,532	3,182,469
Germany	11,498,871	7,650,403	6,146,190
Sweden	373,303	147,733	162,634
Italy	596,505	1,459,372	532,037
Other European Countries	142,782	124,711	109,574
Canada	760,653	3,239,305	394,922
U. S. A.	18,395,060	22,247,085	17,695,208
Other American Countries	104,005	561	920
Africa	262,156	30,060	—
Australia	286,785	9,565	37,999
Other Countries	521,510	900,165	168,213
Total	136,829,156	151,176,992	117,046,243

between Fakumen and Shinmintun was based on this agreement and the Chinese Government had at last to accept it. Then again, when she tried to cooperate with an American concern to build the Chinchow-Aigun Railway, the Sino-Japanese agreement prohibiting parallel lines was very effective, and China herself had to recognize the validity of this agreement. The building of the Ta-tung line, Shen-hai line, and Ki-hai line is clearly in violation of the treaty concerning Japan's special rights.

Railway Problems

(1) Ta-tung line: This line connects the Ssuningkai-Taonan Railway and the Peiping-Mukden line. It is a main line together with the Taonan Angangchi, Ssuningkai-Taonan, and Chengchiatun-Tungliao lines parallel to the S.M.R. in the west. China, infringing upon the Sino-Japanese Treaty relating to Manchuria, planned to build it in 1922. Ignoring Japan's strong protest, China went ahead with its construction and completed the work in December, 1927.

(2) Kirin-Hailung line: This line together with the Mukden-Hailung line constitutes the main line parallel to the S.M.R. in the east. China also promised to lease these lines to Japan in a note exchanged concerning the four railways in Manchuria and Mongolia in 1918, but the Chinese authorities began to build the Kirin-Hailung road in cooperation with the Kirin people without consulting Japan at all. Ignoring Japan's note of protest, the line was opened in August, 1929, and it is now planned to join the Kirin-Changchun, and the Kirin-Tunhua lines.

(3) The account dispute in the construction expenditure of the Taonan-Angangchi Railway: The S.M.R. had the contract for this line, and it was completed in July, 1926, being handed over to China in December of the same year, but even now the Chinese authorities refuse to pay the price agreed on.

(4) The question of the adviser to the Taonan-Angangchi Railway: It has been agreed to have a Japanese adviser to supervise all the accounts, and his signature was to be affixed together with that of the chief executive of the railway to all papers of expenditure, but China has ignored this agreement.

(5) The connection problem of the Peiping-Mukden and Mukden-Hailung Line: By the Sino-Japanese agreement concerning the extension of the Peiping-Mukden line, the Mukden-Hailung and Peiping-Mukden lines are not allowed to be connected; in spite of this agreement, China connected these two lines in March, 1927.

(6) The connection problem of the Kirin-Hailung and the Kirin-Changchun line: After the completion of the Kirin-Hailung line, ignoring Japan's protest, China sent a request to allow her to make the freight connection of the Kirin-Changchun and the Kirin-Hailung lines, but Japan did not consent to it and the matter was dropped.

(7) The construction expenditure problem of the Kirin-Tunhua line: The construction of this line was contracted for by the S.M.R. and when completed in October, 1928, it was handed over to China, but since then three years have passed, and the construction cost has not been paid. Moreover, China has not appointed a Japanese chief accountant as agreed.

(8) The loan adjustment problem of the Ssuningkai-Taonan line: The time limit of the loan adjustment totalling ¥32,000,000 expired at the end of May, 1926, and Japan demanded the adjustment, but China did not respond. As the result, the interest up to May, 1929, amounts to more than ¥10,000,000.

Lines Parallel to South Manchuria Railway, and those Enveloping S.M.R.

(1) Parallel railways financed with Chinese capital are as follows:—

Ta-tung Railway (251.5 kilometers from Tahushan station of Pei-ning line to Tungliao).

Shen-hai Railway (236.6 kilometers, main line from Shenyang to Hailung and also branch line from Meihokou to Hsian).

Ki-hai Railway (205.2 kilometers, from Hailung to Kirin). Kai-feng Railway (64.4 kilometers, from Kaiyuan to Hsifeng; this is a light railway).

(2) Enveloping Railways financed by Chinese capital are as follows:—

Tsi-ang Railway (12.9 kilometers, Angangchi to Tsitsihar). Hu-hai Railway (220 kilometers, from Sungpu, opposite Harbin, to Hailun).

Tsi-ku Railway (from Tsitsihar to Kushan).

Tao-so Railway (from Tao-an to Solun, under construction).

In regard to the total mileage of these railways, the parallel lines only amount to 757.7 kilometers and with the enveloping lines added, the total distance is 991 kilometers. Furthermore it is said that the Chinese plan to envelope the S.M.R. lines on quite a large scale and the tentative lines already announced involve 55 lines altogether. With such plans in addition to the completion of Hulutao harbor, China seems to intend to undermine the whole foundation of Japan's rights and interests in Manchuria.

income or wages, etc."

Japan has obtained the above right by transfer in accordance with Articles I of the Sino-Japanese Treaty of 1905 on Manchuria. The general administrative authority in connection with civil engineering, education, and sanitation are entrusted to the South Manchuria Railway. At present, there are about 91,000 Japanese and no less than 290,000 Chinese residing in that district.

With the view of maintaining the security of lives and property of the Japanese and Chinese residents and of promoting educational and sanitary institutions, Japan through the South Manchuria Railway, has spent a huge sum of money for a number of years. As a result, an ever increasing migration of Chinese has come over to Manchuria, and industries on modern lines have sprung up in this region.

Historical Survey of Foreign Concessions

The term "foreign concessions" means the districts set apart for foreigners' residence in the principal commercial cities of China. Although they are parts of Chinese territory, the administrative authority belongs to the Powers concerned. The most prosperous and also the oldest foreign concession is the international concession of Shanghai, which came into existence by the Supplementary Treaty between Great Britain and China of 1843. This concession was not acquired by force, but was ceded to Britain from the standpoint of mutual convenience with a view to making it a foreign residential district. More foreign concessions were established later in other commercial centres, and today there are more than ten concessions.

Foreign concessions may be divided into two categories: those belonging exclusively to one country and those under international control. In any case, foreign concessions have been not only the safety zones for foreign residents but also the districts through which foreign trade has been developing. Moreover, some Chinese politicians and millionaires, as well as numerous industrialists, businessmen, and laborers have come to reside in foreign concessions in order to enjoy the security of their lives and property. In consequence, the Chinese residents have so increased as to outnumber the foreign residents.

Present Condition of Foreign Concessions

During the Great War, China succeeded in recovering the German, Austrian, and Russian settlements and concessions. In January, 1927, the National Government of the South recovered the British concessions at Hankow and Kiukiang by force. The British Government returned its two concessions at Chinkiang and Amoy in 1929 and 1930 respectively. In March, 1929, Belgium agreed to relinquish her Tientsin concession. At the end of 1930, the National Government requested both Japan and France to return the Hankow concession. The French Minister to China, Monsieur Welden, is said to have answered that he would like first to ask for the permission to keep an airplane at the Legation. What he was driving at was this—the time is not yet ripe for the relinquishment of foreign concessions in a country where the prevailing condition is so chaotic that a foreign minister might unexpectedly have to escape by airplane to a place of safety.

Problems of Foreign Troops Stationed in China

At present, the troops of several Powers are stationed along the route between the legation quarter at Peiping and the sea-coast. This practice is based on Articles VII—IX of the Boxer Protocol of 1901; it ensures not only the communication between Peiping and the sea-coast, but also the safety of foreigners residing in Northern China.

Japan is entitled to station 15 soldiers per 1 kilometer along the South Manchuria Railway lines—that is, about 15,000 soldiers altogether in Southern Manchuria, in accordance with various agreements such as the Chinese Eastern Railway Treaty of 1896, (sometimes called the Casini Treaty) Article V; the Russo-Japanese Peace Treaty—Supplementary Section, Part I; the Russo-Japanese Protocol, Article V; and the Supplementary Agreements, Article II. Great Britain, France, and Japan have maintained their troops in Shanghai without any treaty stipulations since the May 30 incident of 1926.

These practices, China has contended, have been carried on in defiance of China's sovereignty. However, having witnessed deplorable incidents at Nanking, Hankow, and Tsinan and having taken into account that China is not yet free from internal strife, the maintenance of foreign troops is considered indispensable for safeguarding lives and property of foreigners and for protecting commerce. China also looks upon foreign warships freely frequenting the Chinese coast and interior waters as a practice in defiance of China's sovereignty. However, the practice is still considered necessary and it cannot yet be dispensed with, due to the chaotic conditions in China.

now established their own electrical works with a capital of ¥4,000,000, in co-operation with the officials of Kirin Province. As a result, they have now their own 5,000 kilowatt power station, and have confiscated the franchise for building a tramcar line from the North Manchurian Electric Company and are even trying to deprive the electric light business of its rights. The Chinese authorities also resort to police persecution to force subscribers to change the source of their electric light supply. These instances are cited to give an idea of Chinese persecution to which the Japanese enterprises are subjected.

Interference with the Mining and Forestry Rights

It is definitely stipulated in the Agreement of 1909 on the five Manchuria problems that the mining industry along the main lines of the South Manchurian Railway and the Antung-Mukden Line shall be jointly operated by Japan and China. The Chinese Mining Act recognizes the right of operating mines by a corporation jointly financed by foreigners and Chinese. In spite of these facts the Chinese authorities unlawfully attempted to deprive Japan of the legitimate right of mining in Manchuria and Mongolia and even lodged a protest against Japan's right to carry on the oil shale industry in Fushun, saying that no such right is stipulated by the treaty. A similar step was taken by the Chinese authorities in lodging a protest against the coal mining of the Penhsihu Coal & Iron Works which industry has been conducted during the past 22 years under the joint management of the Okura Company and the Mukden authorities by legitimate contract. Many other mining rights once ceded to the Japanese have been unlawfully confiscated.

The Japan-China Treaty of 1915 definitely confirms Japan's right of engaging in the forestry industry in South Manchuria, but China ignores this right by resorting to domestic legislation and other measures. In Kirin, Japanese firms such as the Fuji Paper Co., Mitsui, Okura and others that have invested a considerable amount of capital, have been subjected to persecution at the hands of the Chinese authorities, and have suffered considerable losses. All these industries have been forced to suspend operations.

Violation of the Right of Residence

The residential right in Manchuria and Mongolia was confirmed by the treaty of 1915 between Japan and China. This right of residence, based on the policy of equal opportunity, is open not only to the Japanese, but also to all other nationalities. In obtaining this right Japan aimed at the opportunity of purchasing raw materials, trading in merchandise and carrying on economic activities in Manchuria and Mongolia.

If the Japanese and other foreigners could reside and travel freely, engaging in all kinds of industrial and commercial activities in accordance with the provisions of this agreement, the economic development of Manchuria would be greatly facilitated. China, however, has placed all sorts of obstacles in the way. For example, the Governor of Mukden requires landlords who rent houses to the Japanese in the city not to renew the lease when the term of lease expires. Leases with long terms are required to be revised and the terms made no longer than two years. On account of these regulations, the number of the Japanese residing in the city of Mukden has decreased. There were 130 Japanese families in Mukden in 1927, but there are now only 23 families. Furthermore, evacuation of the Japanese was demanded in such places as Liaoning, Taonan, Nungan, Anta, Fakumen, Taolaichao, Shih-toutzu, Antung, Maoerhsan, etc. In some of the places mentioned above, there is not at present a single Japanese resident.

Examples of Persecutions of Koreans

It was during June, 1931, that China insisted on the removal of the dam work on the Itung River of Wanpaoshan and forced the Korean farmers to sow seeds dry, but Japan insisted that as the Koreans were not accustomed to sowing seeds dry, it was impossible to follow this practice. It was also pointed out that already the seeding time had passed and that wet sowing should be allowed. This state of things gave rise to the Wanpaoshan Incident. As a matter of fact, the persecution of the Koreans in Manchuria by the Chinese authorities has been notorious and intolerable. At present, though the exact number of the Koreans in Manchuria cannot be ascertained, it is estimated at more than 800,000, of which 99% is engaged in agriculture. These Koreans leased paddyfields from the Chinese land owners, but during the past few years, the Chinese authorities have prohibited the lease of land to the Koreans and merely recognized the hire contract. Thus entirely depriving the Koreans of their rights of independent farming many secret orders restricting the dwelling of the Koreans have also been issued, and during the year 1928, deportation orders were issued in more than four hundred places.

cited in Item 5. The methods

1) Prohibition of supply of raw materials of Japanese employees in China. The Chinese in Japanese employ the Japanese banks and non-us

This caused directly or indirectly the fall in price of Japanese goods, the closing of exchange dealing, Japanese commercial houses in Manchuria. Since then, this new political relations has come to be applied. Immediately after the Tsinan incident organized under the guidance of the Japanese government party) as a permanent institution of local Anti-Japan Society. This Anti-Japan Society is a Government unsympathetic to all unscrupulous activities are all Headquarters. Since the advent situation has changed. The Korean Japanese boycotts and sentiment be summarized as follows:

1. The Anti-Japan Society stands carries on the Anti-Japanese movement is neither a temporary movement nor feeling as in the past.

2. The organization is on a national basis which existed in the past.

3. But as a matter of fact, the interest of the people, but is a campaign, businessmen, students and irresponsible own interests under the name of

The Problems of Unfair Freight

Although Supplement No. concluded by China and Japan alike, native customs duty, coasting other duties which hinder the trade to be abolished at the earliest date by the Republic. For instance, mills are made exempt from certificate called "yuntan," which Department of the National Government amount of money. But those mills which do not make a similar duties everywhere.

Extremely discriminating freight goods by the Chinese National Shanghai-Soochow and other Chinese and foreign products, goods having more distinct for goods, for an instance, are char Japan, as 4th class, which is steel Hats and paper products are all the national railways, that is, not but those of the interior, are rates established by the Railway Government. The Shantung Railway Japanese products, as well as on a factories in China.

The Anti-Japan

The Chinese National Government permanent Anti-Japanese policy materials in the text-books of public the purpose of continuing the Anti consents to the revision of the Territory and the South Manchuria the independence of Korea and

Of more than 500 anti-foreign Anti-Japanese. (1) Japan's aggressive (2) Japan's methods of invading invasion of China; (4) Japanese which China should adopt toward but falsely stated. In addition to publications.

RELATIONS BETWEEN JAPAN AND CHINA

ED BY

COMMERCE AND INDUSTRY

31

How Does China Violate the Treaty Rights of Japan?

ATION IN BUSINESS UCATION

Anti-Japanese Agitation

by Japan concerning the seizure of the
in November of the same year.

dent.
the boycott of Japanese goods in Man-
agitation was started in connection
between Antung and Mukden.

anese treaty in May, 1915, the agitation
at Hankow spreading all over China

nt of the Shantung problem at the Paris
Japanese movement was started all
tion Day (May 7) and continued till

Dairen.

d in connection with the movement for
in April, 1920, continued till August.
China and the severance of economic
ed.

ase of its origin on May 30, 1923, started
Japanese cotton mill in Shanghai, and
of foreign goods took place in many

g and Tsinan, the Tanaka ministry of
1927 to protect the Japanese nationals
his step, China conducted the boycott

protect the Japanese nationals at Tsinan
systematic Anti-Japanese organization,
d campaigns against Japanese goods

es over the right of using river water for
mpaoshan in North Manchuria in 1931.
est the Chinese residing in Korea took
anized in Shanghai and other places,
st Japan.

apanese troops, which are stationed in
ese treaties, against the outrageous
of the South Manchuria Railway on
se army has given rise to a vehement
China. The movement is purposely
inese Government party), and is not
thout resorting arms against Japan.

Against Japan

agitation as cited above in
in, but were treated as economic
ne boycott and non-purchase of
t being satisfied with the boycott
goods, adopted in 1923 a new
omic relations with Japan as

PROBLEMS OF CONSOLIDATING LOANS

Brief History of China's Foreign Loans

Since the Sino-Japanese War and the Boxer Rebellion, China has been incessantly subjected to internal strife and commotion, and the national finance has been extremely distressed. Naturally the raising of loans was deemed the best measure by both the central and local Governments for extricating themselves from financial difficulties. This policy was recklessly carried out, and at last the foreign loans accumulated to the huge amount of 2,000,000,000 Yuan. During the year 1923, the Loan Consolidation Committee was appointed, comprising many financial leaders, both native and foreign, and also the representatives of the Four Power Loan Syndicate, in order to effect a thoroughgoing investigation and consolidation of these loans with the officials of the Chinese Government. However, the difference between the amount of loans shown by the Chinese Government and that shown by the creditor countries was too wide and no agreement was reached in these negotiations.

Later, however, in pursuance of the Nine Power Treaty of the Washington Conference, the International Conference of Chinese Customs was convened, and it was definitely recognized that the imposition of a 2½% additional duty on the import duty was to be made and many Conferences were held by the interested countries for discussing the use of the proceeds. Consequently, during May, 1929, the appendix to the Japan-China Customs Convention was signed, which provided that 5,000,000 Yuan should annually be transferred from the above proceeds to the redemption fund, and, though the payment of the principal and interest of both domestic and foreign loans, which are secured by the customs duty, has been effected, this payment being placed under the control of the Inspector General of the Customs, the remaining foreign loans have been deplorably neglected. This is especially the case with such loans as the so-called Nishihara Loans; the national Government does not even recognize their existence, and the Ssu-tao Railway Loan and the Tao-ang Railway Loan have also been entirely neglected.

Principal Facts of Nishihara Loans

The first Nishihara Loan of Japan was contracted by the Chinese Government, its Communication Department taking the principal part during September, 1917, in order to meet pressing financial needs. This loan, which amounts to ¥20,000,000 was raised by the Bank of Communications of China through the intermediation of Mr. Kamezo Nishihara and up to September, 1918, during the short period of one year, loans accumulated to the large sum of ¥145,000,000. However, due to non-payment of both the principal and interest, the Japanese banks accepting these loans were greatly distressed. Consequently, during the fifty-first session of the Japanese Imperial Diet (1926), the law of consolidating the Nishihara Loans was passed and the Japanese Government took over the loans from the banks.

The particulars of the above loans are as follows:—

Ki-hei Forestry Mining Loan	¥ 30,000,000
War Fund Loan	¥ 20,000,000
Bank of Communications Loan	¥ 20,000,000
Two Shantung Railway Loans	¥ 20,000,000
Four Mongolia and Manchuria Railway Advances	¥ 20,000,000
Flood Relief Loan	¥ 5,000,000
Telegraph Installation Loan	¥ 20,000,000
Kihui Railway Loan	¥ 10,000,000
Total	¥ 145,000,000

In addition to the above, there is a considerable amount of

TREATIES AND REGULATIONS GOVERNING FOREIGN ENTERPRISES IN CHINA

Japanese Rights of Industrial Enterprise

The future development of industries in China under Japanese control was anticipated by the Japanese Government and the Shimonoeki Treaty was concluded in 1895. Thus the following clause was inserted in the treaty:—

"Japanese subjects shall be free to engage in all kinds of manufacturing industries in all the open cities, towns, and ports of China, and shall be at liberty to import into China all kinds of machinery, paying only the stipulated duties thereon."

"All articles manufactured by Japanese subjects in China shall in respect of inland transit and internal taxes, duties, charges and exactions of all kinds, and also in respect of warehousing and storage facilities in the interior of China, stand upon the same footing and enjoy the same privileges and exemptions as merchandise imported by Japanese subjects into China." (Article vi, part 4)

Again, by the conclusion of the Sino-Japanese Commercial Treaty in 1896, the following provisions were agreed upon:—

"Japanese subjects may, with their families, employees, and servants, frequent, reside and carry on trade, industries and manufactures, or pursue any other lawful vocations in all the ports, cities, and towns of China, which are now, or may hereafter be, opened to foreign residence and trade. They are at liberty to proceed to or from any of the open ports with their merchandise and effects, and within the localities at those places which have already been, or may hereafter be, set apart for the use and occupation of foreigners, they are allowed to rent or purchase houses, rent or lease land, and to build churches, cemeteries, and hospitals, enjoying in all respects the same privileges and immunities as are now, or may hereafter be, granted to the subjects or citizens of the most favoured nations."

"The Japanese Government recognizes the right of the Chinese Government to tax with discretion the goods produced by Japanese nationals in China provided that the said taxes should not be different from or more than those imposed on the similar goods produced by the Chinese nationals" (Supplementary Treaty, Article iii).

Restriction of Japanese Rights of Industrial Enterprise

(A) Geographical Restrictions

Although China recognized Japanese rights of industrial administration in open ports by the Shimonoeki Treaty of 1905, Great Britain among other Powers was particularly dissatisfied with the areal limitation placed on the industrial administration rights. With the view of extending its application to all parts of China, Great Britain demanded their extension when she concluded the Anglo-Chinese Revision Treaty in 1902—known as the MacKay Treaty. The Chinese Government, still clinging to her traditional policy, did not concede to the British demand, and no change has yet been made. China expressed her intention of prohibiting foreign industrial and manufacturing undertakings in the marts opened for foreign trade, apart from open ports. In short, the marts opened for foreign trade are for commercial purposes only. There are twenty-four marts opened for foreign trade including such places as Woosung, Tsinwangtao, Santiao and Tsinan (among twenty-four, nine marts have not been as yet opened).

Within recent years, however, China set a novel example with regard to Tsingtao (Kiaochow). Due to the existence of foreign-managed industries, which had previously existed, China treated the said district as an exception and allowed those industries to remain as before.

(B) Limitation of Japanese Investments

Previous to the MacKay Treaty, any joint-capital business under Chinese and foreign management had been prohibited. But by the MacKay Treaty China recognized the right of Chinese to own shares in British companies and vice versa. The same principle was recognized regarding Japan in 1903.

According to the present Chinese Corporation Laws, the fundamental principle is that there should be no distinction with regard to the nationalities of employees in Chinese companies and of shareholders. Therefore, at first sight, it looks as if there were no limitation or restriction placed on foreign investments. But, should Chinese companies be located outside of open

EXTRATERRITORIALITY

(Consular Jurisdiction)

Historical Background of Extraterritoriality

The origin of extraterritoriality—the privilege granted to foreigners in China of being exempted from the laws of China and of enjoying the rights and privileges of their respective countries (also called Consular Jurisdiction System)—dates back to the exchange of notes between the British and Chinese delegates after the conclusion of the treaty of Nanking in 1842.

Extraterritoriality was granted for the first time by the subsequent Anglo-Chinese Supplementary Treaty concluded in 1843. Since then, the other treaty Powers have, at various times, secured the same privileges. And it is obvious that the Powers did not secure extraterritoriality by forceful compulsion.

To the foreigners residing in China, extraterritoriality is a system by which their lives and property are safeguarded, but to the Chinese, it is an encroachment on China's territorial sovereignty. The Chinese Government has therefore been demanding the abolition of extraterritoriality. In the Sino-British Treaty of 1902 and Sino-Japanese and Sino-American Treaties of 1903, it is stipulated that extraterritoriality shall be abolished upon complete legislative reform on the part of China. Again, at the Washington Conference of 1922, a resolution was adopted as to the abolition of extraterritoriality, which resulted in the meeting of the investigating committee composed of representatives of the Powers at Peking in December 1925. The result of the committee meeting reported in July of the following year was the conclusion that the time was not quite ripe for the immediate relinquishment of extraterritorial jurisdiction in view of the unsatisfactory nature of China's legislation, court and police systems.

Status of Each Power

Since the establishment of the National Government, particularly in recent years, China has been earnestly requesting the Powers to give up their extraterritorial rights.

China has succeeded in having the consular jurisdictions of Germany, Russia, and a few minor Powers removed. She induced Austria to promise abolition by the treaty of 1925. Belgium, Italy, Portugal, Denmark, and Spain realized that the time was not ripe yet in China for the removal of extraterritoriality at the Committee meeting of 1926, but the National Government induced them to accede to the following clause, effective from January 1930:—

"The citizens of either of the contracting Powers residing in the other's country shall obey the laws and jurisdictions of such country." However, due to the most favoured nation clause, this has not been put into practice yet.

Similar agreements relating to the abolition of extraterritoriality were concluded in April, 1931, between Dr. C. T. Wang, the Chinese Minister of Foreign Affairs, and the Dutch Minister and also the Norwegian Minister. But in the case of the Sino-Dutch agreement, it does not bind the Netherlands until other

FOREIGN TRADE & COASTAL TRADE

China's Foreign Trade Direct Imports (Gross)

Country	1921		1930	
	HK. Tls.	Percentage	HK. Tls.	Percentage
Japan (including Formosa)	210,359,237	22.55%	327,164,867	24.63%
U.S.A.	175,789,652	18.85%	232,405,941	17.50%
Hongkong	231,138,080	24.78%	218,369,933	16.44%
British India	35,380,635	3.79%	132,168,471	9.95%
Great Britain	149,935,615	16.07%	108,257,932	8.15%
Germany	—	—	69,105,357	5.20%
Dutch Indies	—	—	48,360,659	3.64%
French Indo-China	—	—	28,181,664	2.12%
Belgium and Luxemburg	—	—	27,456,827	2.07%
Other Countries	130,247,121	13.96%	136,760,335	10.30%
Total	932,850,340	—	1,328,231,986	—

China's Foreign Trade Direct Exports (Gross)

Country	1921		1930	
	HK. Tls.	Percentage	HK. Tls.	Percentage
Japan (including Formosa)	172,110,728	28.63%	216,555,242	24.20%
Hongkong	152,875,077	25.43%	158,018,135	17.66%
U.S.A.	69,541,816	14.89%	131,880,076	14.74%
Great Britain	30,913,956	5.14%	62,609,051	7.00%
Russia and Siberia	22,865,428	3.80%	55,413,277	6.19%
Netherlands	—	—	44,943,678	5.02%
Korea	15,097,250	2.51%	44,174,507	4.94%
France	23,945,151	3.98%	42,699,749	4.77%
Germany	—	—	23,361,413	2.61%
Turkey, Persia, Egypt, etc.	17,276,661	2.88%	22,150,223	2.48%
Singapore, Straits, etc.	19,461,388	3.24%	19,176,840	2.14%
Other Countries	57,168,082	9.50%	73,801,653	8.25%
Total	601,255,537	—	894,843,594	—

China's Trade with Japan

(Including Formosa, but not Korea)

Year	Export to Japan		Import from Japan	
	Value	Percentage	Value	Percentage
1917	105,773,819	—	221,666,991	—
1918	163,394,092	—	238,658,578	—
1919	195,006,032	—	246,940,997	—
1920	141,927,902	—	229,135,866	—
1921	172,110,728	—	210,359,237	—
1922	159,754,351	—	231,428,855	—
1923	198,517,346	—	211,024,297	—
1924	201,175,926	—	234,761,863	—
1925	166,337,037	—	299,755,611	—
1926	211,740,889	—	336,909,441	—
1927	208,638,810	—	293,793,760	—
1928	228,602,453	—	319,293,439	—
1929	256,428,320	—	323,141,662	—
1930	216,555,242	—	327,164,867	—

Tonnage of Vessels Engaged in the Carrying Trade to and from Foreign Countries and Between the Open Ports in China

Country	1921		1930	
	Tonnage	Percentage	Tonnage	Percentage
British	42,326,445	36.93%	57,246,927	36.79%
Japanese	31,738,783	27.69%	45,630,705	29.33%
Chinese*	31,791,479	27.74%	29,199,170	18.77%
American	4,510,901	3.93%	6,490,351	4.17%
German	—	—	4,245,842	2.73%
Norwegian	—	—	4,218,277	2.71%
Dutch	—	—	2,247,082	1.45%

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

adopted are as follows:

1) Dismissal of Japanese firms; 2) Withdrawal of Japanese firms; 3) Withdrawal of Japanese firms; 4) Non-deposit of money in Japanese paper money.

Directly the decrease of Japan's shipping business in China, goods for Chinese markets, and with China. In addition, some Central China were compelled to by the severance of economic in strikes against foreigners. The Anti-Japan Society was of the Kuomintang (the Government, and it directed the in various parts of China. Government organization, and its directed by the Kuomintang of the Anti-Japan Society, the tion is different from the Anti- that prevailed formerly. It may

for anti-imperialism in theory, and as an expression of patriotism. It as an expression of local Anti-Japanese

wide scale, quite unlike the temporary

movement is not carried on in the ouffage movement organized by some able rowdies who aim at promoting a national movement.

Tariff and Discriminating Rates

3 to the Customs Agreement in 1930 definitely states that ng trade duty, transit duty and all vancement of foreign trade, and e, no such step has yet been taken the products of Chinese cotton various duties by the use of a n is obtainable from the Treasury overment by paying a certain products of Chinese and Japanese lar payment have to meet heavy

ght rates are charged on Japanese Railways. For instance, the lines quote different rates for harging specially high rates for eign elements; Chinese cotton ged as 2nd class, while those of ikingly higher than the former. o in the same category, and all only the lines around Shanghai enforcing these discriminating y Department of the National lway charges exorbitant rates on articles manufactured in Japanese

Chinese Education

ernment, which has adopted a has been using Anti-Japanese lic schools and high schools with Anti-Japanese movement till Japan eaties, and returns the Kanto ariia Railways, and acknowledges restores Formosa. gn chapters, more than 320 are gressive policy towards China; China; (3) History of Japan's power in China; (5) The policy s Japan; all these are minutely here are numerous Anti-Japanese

loans excluded from the consolidation program due to the reason that China does not acknowledge the debts under the pretext that these loans are not secured by any mortgage.

As the matter stands now, in the First International Conference which was convened during November, 1930, even the items of loans to be fixed in the consolidation draft had to be left unsettled and have so remained up to now. At any rate, Japan has loaned by far a greater amount to China as compared with other foreign countries, and has indeed a vital concern in this matter. Such a large amount as represented by the Nishihara Loans must by all means be consolidated successfully.

Details of the Unsettled Accounts of the Manchuria and Mongolia Railway Loans

In order to construct railways in Manchuria, China made huge loans from both the Japanese Government and the South Manchuria Railway Company. She has not paid either the principal or the interest. With these railways financed with Japanese capital, China menaces the S. M. R. ignoring the Japan-China Agreement, and constructs competitive lines and plans the construction of harbours, etc. The unsettled accounts of the Manchuria and Mongolia Railway loans, not counting the Kirin-Changchun railway loan, amount to more than ¥160,000,000, the details of which are as follows:—

Details of Manchuria and Mongolia Railway Loans	Amount Unit Yen
Ki-hui Railway Provisional Agreement Advance	10,000,000
Overdue Interest on above Loan	3,890,804
Manchuria and Mongolia 4 Railways' Provisional Agreement Advance	20,000,000
Overdue Interest on above Loan	8,490,520
2nd, 3rd, and 4th Interest Payment on Loan for above Ki-hui Railway, Manchuria and Mongolia 4 Railway Loans	28,055,973
Ssu-tao Railway 6th Short term Loan	32,000,000
Overdue Interest on above Loan	12,393,218
Ki-tun Railway Loan	9,158,106
Overdue Interest on above Loan	1,648,459
Tao-ang Railway Loan	1,044,496
Overdue Interest on above Loan	74,589
Outstanding Account of Ki-tun Railway	10,767,424
Tao-ang Railway "Outstanding" Account	16,316,717
" " " " " "	7,600
" " " " " "	50,560
Ssu-tao Railway Outstanding Account	280,685
Shen-hai Railway Outstanding Account	182,120
Pei-ning Railway	8,935
Tsi-ku " " " "	5,061
Ssu-cheng " Department	1,142,000
Ki-tun " Temporary Payment	2,787,508
Ssu-cheng " Loan Account	4,780,000
Total Unsettled Accounts Receivable	¥163,095,764

China owes in addition ¥1,660,000 for the purchase of Japan's military railway between Mukden and Shinmintun in 1905, the initial loan of ¥2,500,000 in 1908 and the 2nd loan of ¥4,000,000 in 1917 on account of the Kirin-Changchun loan agreement.

Japan's Actual Credit Accounts Other than the Manchuria and Mongolia Loan Credit Accounts

(Unit ¥1,000—Outstanding on Jan., 1st, 1930)

Name of Loan	Amount of Loan	Amount of Principal and Interest	Name of Creditor
Boxer Indemnity Account	113,917		Government
Five Powers Adjustment Loan Account	50,000	46,654	"
World War Participation Loan Account	20,000		"
Tsi-kao Railway Preparatory Loan Account	20,000		"
Ki-hui Forestry and Mining Loan Account	30,000		Under investigation
Wire Telegraph Loan Agreement Account	20,000		"
Bank of Communications Loan Account	20,000		"
Japan-China Ten Million Yen Loan Agreement Account	10,000	11,449 (with interest)	Yokohama Specie Bank
Peiping-Suiyuan Line 1st Loan Account	3,000	5,027 (with interest)	Toa Kogyo Co.
Peiping-Suiyuan Line 2nd Loan Account	3,000	6,263 (with interest)	Toa Kogyo Co.
Nan-Hsün Railway Loan Account	5,000		
Nan-Hsün Railway 1st Loan Account	500		
Nan-Hsün Railway 2nd Loan Account	2,000	14,011	Toa Kogyo Co.
Nan-Hsün Railway 3rd Loan Account	2,500		
Wire Telegraph Loan Account	20,000	28,665 (with interest)	Exchange Bank of China
Communications Dept. Telephone Development Loan	10,000	10,000	Chunichi Jitsugyo Co.
Wire Telegraph Development and Improvement Account	15,000	10,000	Toa Kogyo Co.
Shuang-chiao Wireless Station Construction Loan Account	5,363	5,363	Mitsui Bussan Co.
Total Loan Account	350,280		

ports, foreign investment has to come under a limitation somewhat analogous to the aerial limitation as stated above.

Moreover, enterprises or trading concerns and banks of special nations are subject to various limitations. For instance, the mining industry belongs to the category of special enterprises. In this industry, the amount of foreign capital is not allowed to exceed one half of the entire capital. In the case of iron mining and those mining industries which come under the provisional regulations governing small mines, no foreign capital can be invested. The same applies to the fishing and salt industry under governmental protection. Foreigners cannot become shareholders of the China Merchants S. N. Co., steamship companies, Bank of China, Bank of Communications, and Bank of Agriculture and Commerce. Nor are they allowed to invest in the Chinese cotton and textile, woolen, iron, filature, tea, and sugar industries, which enjoy the privilege of loans from the government for three years in accordance with the Industrial Loan Act promulgated on January 13 in the third year of the Chinese Republic (1914).

Incompleteness of Trade Mark Rights in China

In the new Trade Mark Law of China, in force since January 1930, there is no provision for punishing the infringement of trade mark rights, and such cases come under the criminal laws. The old trade mark law in force under the Peking Government contained definite clauses for punishment. With especial reference to counterfeiting or imitation, it provided as follows: "Counterfeiting or imitating the registered trade mark of another person with the intention of using it or causing it to be used by others for the same goods shall be punished with penal servitude for a term not exceeding one year or with fine not exceeding 500 yuan together with forfeiture of the articles concerned."

The new trade mark law is defective in many respects, there being no such clause as that cited above. The trade mark law is almost powerless to punish the violators, and it is more liable to encourage counterfeiting and imitation of trade marks. It is natural therefore that cheaper articles should be popular among Chinese merchants whose commercial moral standard is low with respect to the imitation and counterfeiting of trade marks.

As a result, Japanese sundry goods, refreshing preparations and toilet goods which can easily be imitated, suffer considerably. This state of things particularly hampers the sales of Japanese articles in Tientsin and its vicinity.

Examples of Abuses of Trade Marks

Some time ago, someone started to sell all over China twisted yarn of inferior quality bearing the imitated trade mark "Hinode Jirushi" (Rising Sun Trade Mark) of the Teikoku Seishi Kaisha (Imperial Spinning Co., Ltd.) of Osaka, Japan. After an investigation, it was found that the Shanghai Industrial Waxed Wire Works was responsible. Thus, in March, 1931, the Toa Company, the general agent for "Hinode Jirushi" products, took action against the Shanghai Industrial Waxed Wire Works on the charge of trade mark counterfeiting—(punishable by Article 268 of the Chinese Criminal Laws) at the Shanghai Special District Court. But the court decided the case against the plaintiff because it could not be interpreted as a case of trade mark counterfeiting from the viewpoint of the Chinese Criminal Laws.

On April 10, the Nationalist Government suddenly issued the following order to the Trade Mark Bureau of the Department of Business: "According to the interpretation of the Shanghai Special District Court, a mere imitation of trade marks does not constitute sufficient grounds for considering it as counterfeiting. But if a trade mark registered by another party is imitated with fraudulent intentions, such case may be regarded as counterfeiting."

On April 14, a similar case occurred. Brunner, Mond & Co. (British) took action on the charge of trade mark counterfeiting in regard to its metal polish products. Again, the plaintiff lost the case.

The Shanghai Special District Court passed judgment as follows: "The evidence is not sufficient to prove the fraudulent intention of counterfeiting a trade mark."

It will thus be seen that in China one can imitate any trade mark with impunity, though in order to protect the trade mark rights, other countries have regulations for punishing not only fraud but also imitation.

China ignores these fundamental principles and allows trade mark imitation without due discrimination. The registrations in accordance with the trade mark law offer no protection whatever. Many Japanese trade marks have thus been abused in China.

Powers recognize it, because of the provisions of the most favoured nation clause.

Present Conditions in China

During 1926 the International Committee on the Abolition of Extraterritoriality made the following recommendations to the Chinese Government:—

(A) To complete the compilation of the following codes and to put them into actual practice.

1. Civil Code.
2. Commercial Code including the law concerning Bills, Marine Affairs, and Insurance.
3. Revised Criminal Law.
4. Banking Law.
5. Bankruptcy Law.
6. Patent Law.
7. Law concerning Land Condemnation.
8. Law concerning Notaries Public.

(B) The Chinese Government shall establish and maintain a uniform institution regarding the enactment, promulgation and abolition of laws.

(C) The Chinese Government shall enlarge the new systems of law courts, prisons, and jails with a view to abolishing the old provincial courts, prisons, and jails.

But China has not given any attention whatever to these recommendations, the only accomplishment of the Chinese Government along these lines being the promulgation of the revised criminal law and civil law in part. It is vitally important for the safety of the life and property of foreigners in China that the judicial power should be rightfully and fairly exercised. However, the prevailing condition is that the Chinese judicial officials and police officers are easily bribed to misapply the law. The military officers and civil administrators often interfere with the judicial authorities, and the independence of judicial power scarcely exists in China.

Regulations Governing the Foreigners Residing in China

Owing to the slow progress of the negotiation for abolishing extraterritoriality, China proclaimed in May, 1931, a set of regulations for governing the residence of foreigners in China. Peace and order are not properly maintained in China, and of course, no foreigners are subject to the new regulations, of which the following are the principal provisions:—

1. The term "foreigners" used in these regulations means those who enjoyed the extraterritorial right on the date of December 31 in the 18th year of the Republic of China.
2. Foreigners shall be subject to the jurisdiction of the local Chinese law courts of all grades.
3. In order to handle civil and criminal cases in which foreigners are defendants, special law courts shall be established in the local law courts of Harbin, Mukden, Tientsin, Tsingtao, Shanghai, Hankow, Hsiao, Chungking, Minkao, Canton and Kunming and in the high law courts of adjacent districts.
4. The chief judge of the above special court shall be appointed from among the judges belonging to the respective courts.
5. When a foreigner becomes a defendant in either a civil or criminal case under jurisdiction other than the law courts provided for in Article 3, he may apply in writing for adjudication in the court concerned.
6. The special court may nominate several counsellors. The counsellors shall be appointed from among the local civil officials who are upright in conduct and are fully competent as judges with expert knowledge of law, but the rendering of counsel shall not be restricted to Chinese, and foreigners are also allowed to make application for their own counsel in writing to the foregoing special law court. However, in no case whatever will foreigners be allowed to interfere with judicial decision.
7. Restraint, arrest and domiciliary search in the case of foreigners shall be made in accordance with the law of criminal procedure. When a foreigner is arrested on the charge of violating the criminal law or other criminal regulations he shall be tried in the law court, but the hours of detention shall not exceed 24.
8. (Omitted)
9. In a civil or criminal case involving foreigners, the parties concerned are allowed to appoint an advocate either Chinese or foreign in accordance with the legal provisions, but laws and ordinances governing Chinese advocates shall be likewise applicable to the advocates.
10. Foreigners violating the police regulations shall be tried at the law court or at the police station. In the latter case, the penalty shall be a fine not exceeding 15 yuan, but the former shall not be subject to this provision. When the fine is not paid within 5 days in the case of police examination, the offender shall be detained at the rate of one yuan per day.
11. The warrant of restraint, arrest and detention shall be issued by the order of the local administration office.

Other Flags	4,251,936	3.71%	5,227,600	3.35%
Total	114,619,544		155,605,954	

* Including Junks entered and cleared at the Maritime Customs.

Coastal Trade Right

Though nothing is mentioned about the coastal trade right of foreign vessels in the Nanking Treaty of 1842 between Great Britain and China, the Chinese Government gave implicit consent to the coastal trade of foreign vessels and their access to ports not opened to foreign trade. This policy was due to the fact that foreign vessels were considered safer than the Chinese boats.

In the Anglo-Chinese Treaty of 1858, the sailing and trading of foreign vessels between the ports not opened to foreign trade were prohibited, but it did not provide any restriction of the coastal trade, which was regarded as the foreigners' vested right. However, the abuses in connection with the taxing of goods transported were such that the Chinese Government promulgated the coasting trade law in 1861 for the first time. This was the official recognition of the right of foreign vessels to engage in coastal trade. The tax system was adjusted incidentally at the same time. But it was not until China's treaty with Denmark was concluded in 1863 that the right came to be recognized by a treaty. It has since become a general practice to have a similar provision in treaties with other countries. It will thus be seen that the coastal trade right really started from usage or custom rather than from a treaty or foreign compulsion. In a country like China, where navigation is in a primitive stage and internal strife and piracy prevail, the permission granted to foreigners to engage in coastal trade has contributed much to the safety and convenience of commerce and communication in China.

China's Attitude Toward Coastal Trade

The Chinese people seem to regard the coastal trade as a measure of economic invasion on the part of the Powers, or else regard it as one of the chief causes for the undeveloped shipping business in China. In their recent demand concerning the revision of unequal treaties, the Chinese insisted on prohibiting the coastal trade by foreign vessels. In carrying out this aim, the Communications Department of the Chinese Government directed the Shanghai Shipping Association to use Chinese vessels exclusively. It is also strictly prohibited the hoisting of foreign flags on Chinese vessels. China aims at bringing every possible pressure to bear upon the coastal trade of foreign vessels. But those vessels which China possesses at present are all of smaller and older types, and are of course inferior by far to those of Japan and Great Britain. And as to the number of vessels, no remarkable increase has been made on account of China's repeated internal troubles.

According to the statistics at the close of 1930, there were 3,220 vessels registered at the Maritime Customs as sailing between open ports and ports not opened to foreign trade in accordance with the regulations for Inland Waters Navigation. Of the above figures, 2,627 were Chinese, and 544 were foreign.

Present Condition of Coastal Trade in China

The ships engaged in trading between the open ports of China may be classified by countries as follows: Of the total, Japan represents 20 per cent in the number of ships and 27 per cent in tonnage. Japan and Great Britain combined represent more than 60 per cent as shown in the following table. (1930)

Countries	Entered		Cleared	
	Tonnage (Unit: 1,000 tons)	Number of vessels	Tonnage (Unit: 1,000 tons)	Number of vessels
Great Britain	20,172	18,932	20,453	18,971
Japan	14,203	12,013	14,594	12,238
China	12,485	22,488	12,469	23,299
U. S. A.	1,167	2,718	1,283	2,741
Norway	1,234	605	1,252	592
Germany	1,179	296	1,192	295
Netherlands	665	158	866	208
Portugal	346	996	356	1,024
France	216	305	235	315
Denmark	195	78	220	83
Italy	148	55	165	58
Sweden	70	21	61	18
Belgium	41	12	41	12
Others	33	20	25	15
	52,154	58,697	53,212	59,869

SUMMARY OF POLITICAL AND ECONOMIC

COMPILED

THE OSAKA CHAMBER OF

19

What Economic Interests and Privileges Has Japan in China?

MANCHURIA, MONGOLIA AND JAPAN

Special Rights and Interests of Japan in Manchuria and Mongolia

The facts concerning our interests and privileges in Manchuria and Mongolia constitute a long story. Moreover, they are legitimate rights and have a vital bearing on the existence of our nation.

In order to understand the special footing of our country in Manchuria and Mongolia, it is necessary to retrace the relations between China and Japan that have existed since the Sino-Japanese War. After the war Japan obtained by the Shimonoseki Peace Treaty the cession of the region south of Newchwang and Haicheng in South Manchuria. But as a result of the intervention of the three Powers, Russia, Germany, and France, she had to return the region. But Dairen and Port Arthur, which China had taken back from Japan, were soon ceded to Russia. Russia was enabled to construct the Chinese Eastern Railway and China also concluded with Russia a secret treaty for offensive and defensive alliance against Japan. In 1900 at the time of the Boxer Rebellion, Russia despatched her army to Manchuria and occupied important places and even tried to invade Korea. In the midst of such a crisis jeopardizing the peace of the Far East, China remained indifferent and took no step. But to Japan the Russian advance toward the south meant the life or death of the country, and there was no choice but to fight, even risking the independence of the nation. Fortunately for Japan, she won. By virtue of the Portsmouth Treaty of 1905, Japan took over the Russian right to lease the Liaotung Peninsula and the right to the branch line of the Chinese Eastern Railway south of Kwang-chengtzu, and other rights. In December of the same year China recognized these rights by the Peking Treaty, and the extension and revision of this treaty was planned later by the Sino-Japanese Treaty of 1915.

At the time of the Russo-Japanese War, China had a secret agreement for offensive and defensive alliance with Russia, which in itself was enough to make Japan the lawful holder of South Manchuria south of Changchun, without troubling China to recognize the aforesaid rights there.

Japan, however, did not swerve an inch from the path of righteousness and was satisfied with no more than the guarantee of Manchuria against any further aggression of other Powers and the acquisition of a special economic position in Manchuria in return for the sacrifices she had made.

Since the Russo-Japanese War, Japan has done her best to maintain peace and to accomplish the peaceful development of Manchuria. The enormous amount of money invested there may be estimated at more than a billion yen, in consequence of which Manchuria has made great progress economically. Facilities for communications were introduced and the farm products increased. Manchuria is now considered the richest and most peaceful region in China. The population has increased during the past twenty years from 20 or six million to 30 million, more than a million immigrants per annum still pouring in steadily from China.

PROBLEMS RELATING TO RAILWAYS

The South Manchuria Railway

The South Manchuria Railway was a section of the branch line of the Chinese Eastern railway from Harbin to Port Arthur and Dairen, the charter for which was acquired by Russia by the Russo-Chinese Treaty of March, 1898. The section south of Changchun was ceded to Japan by the Portsmouth peace negotiations (Articles 5 and 6 of the Manchurian Treaty, 1905). According to Article 12 of the Russo-Chinese Treaty concerning the management of the Chinese Eastern Railway of September 8, 1896, the same line can be restored to the Chinese Government on the payment of a certain price after 36 years counting from the day when the operation started (July 1, 1903). At the expiration of the period of 80 years, the railway line and all the property thereof were to be given up to the Chinese Government, but by the Sino-Japanese Treaty of May, 1915, the period of lease of the line was extended to 99 years and by the annex to the treaty it was stated that "the leasehold period of the South Manchuria Railway expires in the year 2002." The clause relating to the restoration of the line to the Chinese Government was struck out, and the right will remain valid for 71 years more.

The Antung-Mukden Railway, now a part of the South Manchuria Railway, but formerly a military light railway, was rebuilt in accordance with Article 6 in the Agreement annexed to the Sino-Japanese Treaty on Manchuria in December, 1905. This line, too, was to have been sold back to China according to the evaluation of a disinterested third person in 1923, but this period also was extended to 99 years by Article 1 of the Sino-Japanese Treaty of May, 1915, and according to the annexed public statement, the period of the lease expires in 2007 and so the right remains valid for 76 years more.

Agreements on Railway Rights

China by laying and operating lines parallel to the S.M.R. is violating the rights and interests of the Japanese railways. The right to lay railways is originally based upon the third chapter of the appendix concerning the lease of Port Arthur and Dairen concluded between Russia and China in April, 1898, which provides: "Russia agrees that though the terminus of the branch line of the Siberian railway may reach Port Arthur and Dairen, it shall not reach any other place on the shores of the peninsula and also both countries agree that no other Power shall obtain the right of laying a railway in the territories where the branch line is passing and it is not Russia's concern even if the extension of the Chinese Shanhaikwan railway may come near that branch." According to this treaty, the interests in the districts through which the branch line of the Siberian Railway, that is, the S.M.R., passes must not be handed over to a third party, and even China herself is allowed to lay only the Shanhaikwan Railway, or the present Peiping-Mukden line, in the vicinity of the S.M.R. This right which Russia possessed was completely taken over by Japan by Article 1 of the Sino-Japanese Treaty concerning Manchuria in 1905.

But the last part of the third article of the Russo-Chinese treaty somewhat lacking clearness in its meaning, Japan further provided in Article 3 of the agreement between China and Japan concerning Manchuria, in order to protect the interests of the S.M.R., that China before its restoration agrees that any parallel line or any branch line which may injure the interests of that railway shall not be laid, and this treaty is today still effective. China does not regard this agreement as a regular treaty,

LEASED TERRITORIES, CONCESSIONS AND FOREIGN TROOPS

Historical Background of Leased Territories

Although China had ceded the Liaotung peninsula by the Shimonoseki Peace Treaty following the Sino-Japanese War, she later succeeded in compelling Japan to return the peninsula through the intervention of three great European Powers, namely, Russia, Germany, and France. Later on, in March, 1898, Germany, captured Kiaochow on the pretext of the murder of a German missionary. In the same year, Russia leased Port Arthur and Dalny. Following the German and Russian examples, France secured Kwangchow Bay on the coast of Kwanghsi in April, 1898. Great Britain, too, leased Kowloon, on the opposite side of Hongkong, and Weihaiwei in June and July of 1898 respectively to counteract the Russian policy. The lease of Weihaiwei was stipulated to extend as long as Russia held Port Arthur and Dalny.

Later on, Russia became a menace to the peace of Asia through her aggressive foreign policy in Manchuria and even jeopardized the position of the Japanese Empire. At last, this culminated in the Russo-Japanese War, as an aftermath of which the Russian rights in Manchuria were transferred to Japan.

Leased Territory of Kwantung Province

In accordance with Article V of the Treaty of Portsmouth, Japan acquired by transfer the leased territories of Port Arthur and Dalny (Dairen) from Russia, to which China gave her approval. Article III of the Sino-Russian Treaty on the lease of the Liaotung peninsula of 1898 provided that the lease might be extended by the agreement of both countries when it came to an end. The lease was to expire on March 26, 1923. But Japan obtained the extension of the lease for 99 years by Article I of the Sino-Japanese Treaty of May, 1915. Thus the period of the lease became the same as those for Kowloon by Great Britain, Kwangchow Bay by France, and Kiaochow by Germany. According to the Supplementary Official Note, the lease was to expire in 1997 and therefore it will be effective for 67 years more. China first tried to recover the leased territories at the Paris Peace Conference, to which no response was made on the part of the Powers. On December 3, 1921, however, China again requested the restoration of leased territories at the Far Eastern Committee meeting of the Washington Conference. According to the agreement reached at that time, Great Britain returned Weihaiwei in October, 1930, but she still holds Kowloon. France had declared her willingness to return Kwangchow Bay, but she has not carried out her promise yet.

The Railway Zone

The Railway zone in Manchuria is different from either leased territories or concessions in its nature. It is under the administration of the Japanese Government and the area of the zone is at present a little over 16 square Ri (1 ri=2.44 miles). The railway zone came into existence by Article VI of the Russo-Chinese Treaty of August, 1896, which states:

"Land required for the construction, management and protection of the railway or land required for digging out gravel, stones, and coal shall, if owned by the government, be handed over to Russia free of charge by the Chinese government, and if owned by private individuals, shall be sold in accordance with the market price.

The company shall have an absolute right over those lands

JAPAN'S RIGHT TO LEASE LAND AND OTHER RIGHTS; CHINA'S VIOLATIONS OF THESE RIGHTS

Foundation of the Lease Right

Japan's lease right in Manchuria and Mongolia is based upon "the Treaty Relating to South Manchuria and Eastern Mongolia." In Article 2, it is stated, "the subjects of Japan have the right to lease land necessary for the construction of commercial or industrial buildings or for engaging in agriculture." Also in the supplementary document the right is confirmed as shown by the following clause: "The term 'lease' covers a period of 30 years and includes also the right of renewal without condition."

Renewal without condition means practically the ownership of land. It is provided: "No matter whether the other party wishes renewal or not, the lease right remains valid without requiring either any step for the conclusion of new agreements or the payment of any price."

The right is definitely stipulated in the treaty, but in reality it is mostly infringed upon by the Chinese authorities.

Presidential Ordinance Interfering with the Lease Right

The former Peking Government promulgated the Traitor Punishment Ordinance by order of the President, according to which any person who privately makes an agreement with a foreigner and injures the national right shall be considered a traitor and be punished with death. The wording of the ordinance is somewhat vague, but in meaning it is clear that any one who makes a contract of lease in accordance with the treaty shall be put to death. For the enforcement of this law, the delay of half a year was asked, during which period China formulated regulations and interfered with the lease of land. The Chinese Government is still pursuing this policy. Owing to this hostile attitude of the Chinese authorities, the land and business management of Japanese residents has completely failed.

Pressure Upon the Industrial Rights

The right of the Japanese to engage in industries in Manchuria is fully recognized by the Japan-China Treaty of 1915. However, the oppression of the Chinese authorities is such that various lines of industries are destined to gradual decay.

In the case of the Manchurian Spinning Company, which is a Japanese corporation, for example, the Chinese authorities, in order to protect the products of the Mukden Spinning Mill, which is a Chinese corporation, have heavily taxed the former's products without recognizing the privilege for the exemption of tax previously obtained from the Peking Government by the Manchurian Spinning Company. Also, they have tried to undermine the business of the South Manchurian Sugar Company by holding up its supply of raw materials. The Manchurian Electric Company in Harbin, one of the most influential Japanese enterprises in North Manchuria, used to supply electricity quite widely in Harbin and vicinity. But the Chinese have

ANTI-JAPANESE AGITATION AND EDUCATION

Principal Events of the

1. The Tatsuo Maru Incident.

This began with the protest lodged Tatsuo Maru in March, 1903, and ended

2. The Antung-Mukden Railway Incident. In 1909 from August to October, churia was vigorously carried out. The with the rebuilding of the railway be

3. Sino-Japanese Parley Incident.

At the time of signing the Sino-Jap against Japanese goods was first started in October.

4. Shantung Problem.

Owing to the unfavorable settlement Peace Conference in 1919, a great an over China on the National Humilia December.

5. The Recovery of Port Arthur and

The boycott against Japan, started recovery of Port Arthur and Dairen. The centre of activity was in central relations with Japan was finally declar

6. The May 30 Incident.

The May 30 incident, so called beca from a strike of Chinese laborers at a a nation-wide strike and the boycott localities.

7. The Shantung Incident.

Owing to the outrages in Nankin Japan dispatched troops to Shantung there; as a measure of protest against of Anti-Japanese goods in many places

8. Tsinan Incident.

The dispatch of troops in 1928 to p gave rise to the Tsinan incident. A s the Anti-Japan Society was formed an were conducted unscrupulously.

9. Wanpaoshan Incident.

This incident was due to the dispu the rice-fields of Korean farmers at Wa A retaliatory riot of the Koreans agai place. Anti-Japanese societies were or in the middle of July, to agitate agai

10. Manchurian Affair.

The self-defensive action of the Manchuria according to the Sino-Jap destruction of some lines near Mukde the 18th September, 1931 by the Chin Anti-Japanese movement throughout conducted by the Kuomintang (the C a boycott, but may be called a war w

Economic Blockade

The cases of Anti-Japanese Items 1 to 5 are political in orig measures. China resorted to t Japanese goods. The Chinese, no and non-purchase of Japanese

If Japan had not driven Russia out of Manchuria, Manchuria and Mongolia would today be in the possession of Soviet Russia. China would also be on the verge of national disintegration.

But China does not recognize Japan's interests as represented by her investment, blood, effort, and sacrifice. On the contrary, she endeavours to ignore the rights of Japan acquired by the treaties, resorting to unscrupulous measures, and is doing all she can to drive out Japan from Manchuria and Mongolia.

Japanese Population in Manchuria and Mongolia

Name of place	
Newchuang	11,749
Liaoyang	12,303
Mukden	127,468
Antung	63,542
Chientao	397,193
Tiehling	15,703
Chengchiatun	1,871
Changchun	21,114
Kirin	18,643
Harbin	36,830
Tsitsihar	9,779
Manchouli	406
Chihfeng	1,482
Total in Manchuria	718,083
Total in Kanto District	117,846
Grand total	835,929

Japan's Investment in Manchuria and Mongolia

	yen
Investment through loans	238,062,342
Investment through corporate enterprises	1,135,351,929
Investment through personal enterprises	94,991,560
Total value	1,468,405,831
Classification of enterprises	
Transportation	822,303,999
Manufacturing industry	105,620,605
Commerce	117,752,987
Electricity and gas	37,054,558
Financial operation	204,338,826
Insurance business	325,000
Agriculture and forestry	23,310,822
Mining	99,785,887
Enterprises not otherwise recorded	57,913,147
Total value	1,468,405,831

Imports and Exports in Manchuria

Country	EXPORTS (H.K. T's.)		
	1930	1929	1928
Japan	98,485,990	114,717,334	107,517,682
Korea	2,614,117	2,426,727	3,433,780
Hongkong	5,173,756	5,501,593	5,823,055
British India	9,037	7,839	4,000
Dutch Indies	6,083,012	7,037,951	6,204,272
Russia (Pacific Coast)	310,201	635,828	103,279
Other Asiatic Countries	2,450,633	2,477,226	2,261,350
Britain	10,241,302	21,591,656	13,509,018
France	887,290	1,068,642	1,034,095
Netherlands	34,727,721	29,703,478	16,262,558
Belgium	1,636,535	321,950	232,776
Germany	3,279,591	1,315,730	1,560,163
Sweden	195,385	401,710	194,301
Italy	683,174	4,881,722	5,365,681
Other European Countries	435,099	192,319	69,720
Canada	306,428	435,297	62,332
U. S. A.	6,180,483	9,998,626	6,763,611
Other American Countries	76,700	150,391	546,495
Africa	—	—	—
Australia	2,553	15,492	273,044
Other Countries	9,134,347	34,919,553	17,118,664
Total	182,943,354	237,801,064	188,359,876
Country	IMPORTS		
	1930	1929	1928
Japan	75,930,994	83,261,487	66,070,082
Korea	1,895,392	1,532,542	1,118,872
Hongkong	9,134,333	11,394,824	9,043,592
British India	1,189,855	1,780,334	2,904,618
Dutch Indies	426,729	408,107	315,483
Russia (Pacific coast)	371,089	682,777	139,483
Other Asiatic Countries	159,800	202,657	117,863
Britain	9,890,456	9,320,656	6,155,367
France	802,609	699,269	2,126,032
Netherlands	1,243,510	922,847	624,685
Belgium	2,842,759	4,962,532	3,182,469
Germany	11,498,871	7,650,403	6,146,190
Sweden	373,303	147,733	162,634
Italy	596,505	1,459,372	532,037
Other European Countries	142,782	124,711	109,574
Canada	760,653	3,239,305	394,922
U. S. A.	18,395,060	22,247,085	17,695,208
Other American Countries	104,005	561	920
Africa	262,156	30,060	—
Australia	286,785	9,565	37,999
Other Countries	521,510	900,165	168,213
Total	136,829,156	151,176,992	117,046,243

but Japan's protest against the plan of laying the parallel line between Fakumen and Shinmintun was based on this agreement and the Chinese Government had at last to accept it. Then again, when she tried to cooperate with an American concern to build the Chinchow-Aigun Railway, the Sino-Japanese agreement prohibiting parallel lines was very effective, and China herself had to recognize the validity of this agreement. The building of the Ta-tung line, Shen-hai line, and Ki-hai line is clearly in violation of the treaty concerning Japan's special rights.

Railway Problems

(1) Ta-tung line: This line connects the Ssuningkai-Taonan Railway and the Peiping-Mukden line. It is a main line together with the Taonan Angangchi, Ssuningkai-Taonan, and Chengchiatun-Tungliao lines parallel to the S.M.R. in the west. China, infringing upon the Sino-Japanese Treaty relating to Manchuria, planned to build it in 1922. Ignoring Japan's strong protest, China went ahead with its construction and completed the work in December, 1927.

(2) Kirin-Hailung line: This line together with the Mukden-Hailung line constitutes the main line parallel to the S.M.R. in the east. China also promised to lease these lines to Japan in a note exchanged concerning the four railways in Manchuria and Mongolia in 1918, but the Chinese authorities began to build the Kirin-Hailung road in cooperation with the Kirin people without consulting Japan at all. Ignoring Japan's note of protest, the line was opened in August, 1929, and it is now planned to join the Kirin-Changchun, and the Kirin-Tunhua lines.

(3) The account dispute in the construction expenditure of the Taonan-Angangchi Railway: The S.M.R. had the contract for this line, and it was completed in July, 1926, being handed over to China in December of the same year, but even now the Chinese authorities refuse to pay the price agreed on.

(4) The question of the adviser to the Taonan-Angangchi Railway: It has been agreed to have a Japanese adviser to supervise all the accounts, and his signature was to be affixed together with that of the chief executive of the railway to all papers of expenditure, but China has ignored this agreement.

(5) The connection problem of the Peiping-Mukden and Mukden-Hailung Line: By the Sino-Japanese agreement concerning the extension of the Peiping-Mukden line, the Mukden-Hailung and Peiping-Mukden lines are not allowed to be connected; in spite of this agreement, China connected these two lines in March, 1927.

(6) The connection problem of the Kirin-Hailung and the Kirin-Changchun line: After the completion of the Kirin-Hailung line, ignoring Japan's protest, China sent a request to allow her to make the freight connection of the Kirin-Changchun and the Kirin-Hailung lines, but Japan did not consent to it and the matter was dropped.

(7) The construction expenditure problem of the Kirin-Tunhua line: The construction of this line was contracted for by the S.M.R. and when completed in October, 1928, it was handed over to China, but since then three years have passed, and the construction cost has not been paid. Moreover, China has not appointed a Japanese chief accountant as agreed.

(8) The loan adjustment problem of the Ssuningkai-Taonan line: The time limit of the loan adjustment totalling ¥32,000,000 expired at the end of May, 1926, and Japan demanded the adjustment, but China did not respond. As the result, the interest up to May, 1929, amounts to more than ¥10,000,000.

Lines Parallel to South Manchuria Railway, and those Enveloping S.M.R.

(1) Parallel railways financed with Chinese capital are as follows:—

Ta-tung Railway (251.5 kilometers from Tahushan station of Pei-ning line to Tungliao).

Shen-hai Railway (236.6 kilometers, main line from Shenyang to Hailung and also branch line from Meihokou to Hsian).

Ki-hai Railway (205.2 kilometers, from Hailung to Kirin). Kai-feng Railway (64.4 kilometers, from Kaiyuan to Hsifeng; this is a light railway).

(2) Enveloping Railways financed by Chinese capital are as follows:—

Tsi-ang Railway (12.9 kilometers, Angangchi to Tsitsihar). Hu-hai Railway (220 kilometers, from Sungpu, opposite Harbin, to Hailun).

Tsi-ku Railway (from Tsitsihar to Kushan). Tao-so Railway (from Tao-an to Solun, under construction).

In regard to the total mileage of these railways, the parallel lines only amount to 757.7 kilometers and with the enveloping lines added, the total distance is 991 kilometers. Furthermore it is said that the Chinese plan to envelope the S.M.R. lines on quite a large scale and the tentative lines already announced involve 55 lines altogether. With such plans in addition to the completion of Hulutao harbor, China seems to intend to undermine the whole foundation of Japan's rights and interests in Manchuria.

and no taxes of any kind shall be levied on any of the company's income or wages, etc."

Japan has obtained the above right by transfer in accordance with Articles I of the Sino-Japanese Treaty of 1905 on Manchuria. The general administrative authority in connection with civil engineering, education, and sanitation are entrusted to the South Manchuria Railway. At present, there are about 91,000 Japanese and no less than 290,000 Chinese residing in that district.

With the view of maintaining the security of lives and property of the Japanese and Chinese residents and of promoting educational and sanitary institutions, Japan through the South Manchuria Railway, has spent a huge sum of money for a number of years. As a result, an ever increasing migration of Chinese has come over to Manchuria, and industries on modern lines have sprung up in this region.

Historical Survey of Foreign Concessions

The term "foreign concessions" means the districts set apart for foreigners' residence in the principal commercial cities of China. Although they are parts of Chinese territory, the administrative authority belongs to the Powers concerned. The most prosperous and also the oldest foreign concession is the international concession of Shanghai, which came into existence by the Supplementary Treaty between Great Britain and China of 1843. This concession was not acquired by force, but was ceded to Britain from the standpoint of mutual convenience with a view to making it a foreign residential district. More foreign concessions were established later in other commercial centres, and today there are more than ten concessions.

Foreign concessions may be divided into two categories: those belonging exclusively to one country and those under international control. In any case, foreign concessions have been not only the safety zones for foreign residents but also the districts through which foreign trade has been developing. Moreover, some Chinese politicians and millionaires, as well as numerous industrialists, businessmen, and laborers have come to reside in foreign concessions in order to enjoy the security of their lives and property. In consequence, the Chinese residents have so increased as to outnumber the foreign residents.

Present Condition of Foreign Concessions

During the Great War, China succeeded in recovering the German, Austrian, and Russian settlements and concessions. In January, 1927, the National Government of the South recovered the British concessions at Hankow and Kiukiang by force. The British Government returned its two concessions at Chinkiang and Amoy in 1929 and 1930 respectively. In March, 1929, Belgium agreed to relinquish her Tientsin concession. At the end of 1930, the National Government requested both Japan and France to return the Hankow concession. The French Minister to China, Monsieur Welden, is said to have answered that he would like first to ask for the permission to keep an airplane at the Legation. What he was driving at was this—the time is not yet ripe for the relinquishment of foreign concessions in a country where the prevailing condition is so chaotic that a foreign minister might unexpectedly have to escape by airplane to a place of safety.

Problems of Foreign Troops Stationed in China

At present, the troops of several Powers are stationed along the route between the legation quarter at Peiping and the sea-coast. This practice is based on Articles VII—IX of the Boxer Protocol of 1901; it ensures not only the communication between Peiping and the sea-coast, but also the safety of foreigners residing in Northern China.

Japan is entitled to station 15 soldiers per 1 kilometer along the South Manchuria Railway lines—that is, about 15,000 soldiers altogether in Southern Manchuria, in accordance with various agreements such as the Chinese Eastern Railway Treaty of 1896, (sometimes called the Casini Treaty) Article V; the Russo-Japanese Peace Treaty—Supplementary Section, Part I; the Russo-Japanese Protocol, Article V; and the Supplementary Agreements, Article II. Great Britain, France, and Japan have maintained their troops in Shanghai without any treaty stipulations since the May 30 incident of 1926.

These practices, China has contended, have been carried on in defiance of China's sovereignty. However, having witnessed deplorable incidents at Nanking, Hankow, and Tsinan and having taken into account that China is not yet free from internal strife, the maintenance of foreign troops is considered indispensable for safeguarding lives and property of foreigners and for protecting commerce. China also looks upon foreign warships freely frequenting the Chinese coast and interior waters as a practice in defiance of China's sovereignty. However, the practice is still considered necessary and it cannot yet be dispensed with, due to the chaotic conditions in China.

now established their own electrical works with a capital of ¥4,000,000, in co-operation with the officials of Kirin Province. As a result, they have now their own 5,000 kilowatt power station, and have confiscated the franchise for building a tramcar line from the North Manchurian Electric Company and are even trying to deprive the electric light business of its rights. The Chinese authorities also resort to police persecution to force subscribers to change the source of their electric light supply. These instances are cited to give an idea of Chinese persecution to which the Japanese enterprises are subjected.

Interference with the Mining and Forestry Rights

It is definitely stipulated in the Agreement of 1909 on the five Manchuria problems that the mining industry along the main lines of the South Manchurian Railway and the Antung-Mukden Line shall be jointly operated by Japan and China. The Chinese Mining Act recognizes the right of operating mines by a corporation jointly financed by foreigners and Chinese. In spite of these facts the Chinese authorities unlawfully attempted to deprive Japan of the legitimate right of mining in Manchuria and Mongolia and even lodged a protest against Japan's right to carry on the oil shale industry in Fushun, saying that no such right is stipulated by the treaty. A similar step was taken by the Chinese authorities in lodging a protest against the coal mining of the Penhsih Coal & Iron Works which industry has been conducted during the past 22 years under the joint management of the Okura Company and the Mukden authorities by legitimate contract. Many other mining rights once ceded to the Japanese have been unlawfully confiscated.

The Japan-China Treaty of 1915 definitely confirms Japan's right of engaging in the forestry industry in South Manchuria, but China ignores this right by resorting to domestic legislation and other measures. In Kirin, Japanese firms such as the Fuji Paper Co., Mitsui, Okura and others that have invested a considerable amount of capital, have been subjected to persecution at the hands of the Chinese authorities, and have suffered considerable losses. All these industries have been forced to suspend operations.

Violation of the Right of Residence

The residential right in Manchuria and Mongolia was confirmed by the treaty of 1915 between Japan and China. This right of residence, based on the policy of equal opportunity, is open not only to the Japanese, but also to all other nationalities. In obtaining this right Japan aimed at the opportunity of purchasing raw materials, trading in merchandise and carrying on economic activities in Manchuria and Mongolia.

If the Japanese and other foreigners could reside and travel freely, engaging in all kinds of industrial and commercial activities in accordance with the provisions of this agreement, the economic development of Manchuria would be greatly facilitated. China, however, has placed all sorts of obstacles in the way. For example, the Governor of Mukden requires landlords who rent houses to the Japanese in the city not to renew the lease when the term of lease expires. Leases with long terms are required to be revised and the terms made no longer than two years. On account of these regulations, the number of the Japanese residing in the city of Mukden has decreased. There were 130 Japanese families in Mukden in 1927, but there are now only 23 families. Furthermore, evacuation of the Japanese was demanded in such places as Liaoning, Taonan, Nungan, Anta, Fakumen, Taolaichao, Shihoutzu, Antung, Maoershan, etc. In some of the places mentioned above, there is not at present a single Japanese resident.

Examples of Persecutions of Koreans

It was during June, 1931, that China insisted on the removal of the dam work on the Itung River of Wanpaoshan and forced the Korean farmers to sow seeds dry, but Japan insisted that as the Koreans were not accustomed to sowing seeds dry, it was impossible to follow this practice. It was also pointed out that already the seeding time had passed and that wet sowing should be allowed. This state of things gave rise to the Wanpaoshan Incident. As a matter of fact, the persecution of the Koreans in Manchuria by the Chinese authorities has been notorious and intolerable. At present, though the exact number of the Koreans in Manchuria cannot be ascertained, it is estimated at more than 800,000, of which 99% is engaged in agriculture. These Koreans leased paddyfields from the Chinese land owners, but during the past few years, the Chinese authorities have prohibited the lease of land to the Koreans and merely recognized the hire contract. Thus entirely depriving the Koreans of their rights of independent farming many secret orders restricting the dwelling of the Koreans have also been issued, and during the year 1928, deportation orders were issued in more than four hundred places.

cited in Item 5. The methods

1) Prohibition of supply of food and clothing to Japanese employees in China. The Chinese in Japanese employ the Japanese banks and non-us

This caused directly or indirectly the fall in price of Japanese goods, the closing of exchange dealing, Japanese commercial houses in close. Since then, this new political relations has come to be applied. Immediately after the Tsinan incident organized under the guidance of a permanent party) as a permanent activities of local Anti-Japan Society. This Anti-Japan Society is a group of unscrupulous activities are all Headquarters. Since the advent of the situation has changed. The Korean Japanese boycotts and sentiment be summarized as follows:

1. The Anti-Japan Society stands carries on the Anti-Japanese movement is neither a temporary movement nor feeling as in the past.

2. The organization is on a national basis which existed in the past.

3. But as a matter of fact, the interest of the people, but is a career businessmen, students and irresponsibly their own interests under the name of

The Problems of Unfair Freight

Although Supplement No. 1, concluded by China and Japan, likin, native customs duty, coastal other duties which hinder the goods to be abolished at the earliest date by the Republic. For instance, mills are made exempt from certificate called "yüantan," which Department of the National amount of money. But those products which do not make a simple duties everywhere.

Extremely discriminating freight goods by the Chinese National Shanghai-Soochow and other Chinese and foreign products, goods having more distinct to goods, for an instance, are cheap Japan, as 4th class, which is standard. Hats and paper products are all the national railways, that is, not but those of the interior, are rates established by the Railway Government. The Shantung Railway Japanese products, as well as on factories in China.

The Anti-Japan

The Chinese National Government permanent Anti-Japanese policy materials in the text-books of pupils the purpose of continuing the A consents to the revision of the Territory and the South Manchuria the independence of Korea and

Of more than 500 anti-Japanese, Anti-Japanese. (1) Japan's aggression (2) Japan's methods of invading invasion of China; (4) Japanese which China should adopt toward but falsely stated. In addition to publications.

RELATIONS BETWEEN JAPAN AND CHINA

ED BY

COMMERCE AND INDUSTRY

31

How Does China Violate the Treaty Rights of Japan?

ANTI-JAPANESE AGITATION

Anti-Japanese Agitation

by Japan concerning the seizure of the
in November of the same year.

dent.
the boycott of Japanese goods in Man-
agitation was started in connection
between Antung and Mukden.

anese treaty in May, 1915, the agitation
at Hankow spreading all over China

nt of the Shantung problem at the Paris
Japanese movement was started all
tion Day (May 7) and continued till

Dairen.

in connection with the movement for
n April, 1920, continued till August.
China and the severance of economic
ed.

use of its origin on May 30, 1923, started
Japanese cotton mill in Shanghai, and
of foreign goods took place in many

g and Tsinan, the Tanaka ministry of
1927 to protect the Japanese nationals
his step, China conducted the boycott

protect the Japanese nationals at Tsinan
systematic Anti-Japanese organization,
d campaigns against Japanese goods

es over the right of using river water for
mpaoshan in North Manchuria in 1931.
st the Chinese residing in Korea took
anized in Shanghai and other places,
st Japan.

apanese troops, which are stationed in
ese treaties, against the outrageous
of the South Manchuria Railway on
se army has given rise to a vehement
China. The movement is purposely
hinese Government party), and is not
hout resorting arms against Japan.

Agitation Against Japan

agitation as cited above in
in, but were treated as economic
ne boycott and non-purchase of
t being satisfied with the boycott
goods, adopted in 1923 a new
omic relations with Japan as

PROBLEMS OF CONSOLIDATING LOANS

Brief History of China's Foreign Loans

Since the Sino-Japanese War and the Boxer Rebellion, China has been incessantly subjected to internal strife and commotion, and the national finance has been extremely distressed. Naturally the raising of loans was deemed the best measure by both the central and local Governments for extricating themselves from financial difficulties. This policy was recklessly carried out, and at last the foreign loans accumulated to the huge amount of 2,000,000,000 Yuan. During the year 1923, the Loan Consolidation Committee was appointed, comprising many financial leaders, both native and foreign, and also the representatives of the Four Power Loan Syndicate, in order to effect a thoroughgoing investigation and consolidation of these loans with the officials of the Chinese Government. However, the difference between the amount of loans shown by the Chinese Government and that shown by the creditor countries was too wide and no agreement was reached in these negotiations.

Later, however, in pursuance of the Nine Power Treaty of the Washington Conference, the International Conference of Chinese Customs was convened, and it was definitely recognized that the imposition of a 2½% additional duty on the import duty was to be made and many Conferences were held by the interested countries for discussing the use of the proceeds. Consequently, during May, 1929, the appendix to the Japan-China Customs Convention was signed, which provided that 5,000,000 Yuan should annually be transferred from the above proceeds to the redemption fund, and, though the payment of the principal and interest of both domestic and foreign loans, which are secured by the customs duty, has been effected, this payment being placed under the control of the Inspector General of the Customs, the remaining foreign loans have been deplorably neglected. This is especially the case with such loans as the so-called Nishihara Loans; the national Government does not even recognize their existence, and the Ssu-tao Railway Loan and the Tao-ang Railway Loan have also been entirely neglected.

Principal Facts of Nishihara Loans

The first Nishihara Loan of Japan was contracted by the Chinese Government, its Communication Department taking the principal part during September, 1917, in order to meet pressing financial needs. This loan, which amounts to ¥20,000,000 was raised by the Bank of Communications of China through the intermediation of Mr. Kamezo Nishihara and up to September, 1918, during the short period of one year, loans accumulated to the large sum of ¥145,000,000. However, due to non-payment of both the principal and interest, the Japanese banks accepting these loans were greatly distressed. Consequently, during the fifty-first session of the Japanese Imperial Diet (1926), the law of consolidating the Nishihara Loans was passed and the Japanese Government took over the loans from the banks.

The particulars of the above loans are as follows:—

Ki-hei Forestry Mining Loan	¥ 30,000,000
War Fund Loan	¥ 20,000,000
Bank of Communications Loan	¥ 20,000,000
Two Shantung Railway Loans	¥ 20,000,000
Four Mongolia and Manchuria Railway Advances	¥ 20,000,000
Flood Relief Loan	¥ 5,000,000
Telegraph Installation Loan	¥ 20,000,000
Kihui Railway Loan	¥ 10,000,000
Total	¥ 145,000,000

In addition to the above, there is a considerable amount of

TREATIES AND REGULATIONS GOVERNING FOREIGN ENTERPRISES IN CHINA

Japanese Rights of Industrial Enterprise

The future development of industries in China under Japanese control was anticipated by the Japanese Government and the Shimonoseki Treaty was concluded in 1895. Thus the following clause was inserted in the treaty:—

"Japanese subjects shall be free to engage in all kinds of manufacturing industries in all the open cities, towns, and ports of China, and shall be at liberty to import into China all kinds of machinery, paying only the stipulated duties thereon."

"All articles manufactured by Japanese subjects in China shall in respect of inland transit and internal taxes, duties, charges and exactions of all kinds, and also in respect of warehousing and storage facilities in the interior of China, stand upon the same footing and enjoy the same privileges and exemptions as merchandise imported by Japanese subjects into China." (Article vi, part 4)

Again, by the conclusion of the Sino-Japanese Commercial Treaty in 1896, the following provisions were agreed upon:—

"Japanese subjects may, with their families, employees, and servants, frequent, reside and carry on trade, industries and manufactures, or pursue any other lawful vocations in all the ports, cities, and towns of China, which are now, or may hereafter be, opened to foreign residence and trade. They are at liberty to proceed to or from any of the open ports with their merchandise and effects, and within the localities at those places which have already been, or may hereafter be, set apart for the use and occupation of foreigners, they are allowed to rent or purchase houses, rent or lease land, and to build churches, cemeteries, and hospitals, enjoying in all respects the same privileges and immunities as are now, or may hereafter be, granted to the subjects or citizens of the most favoured nations."

"The Japanese Government recognizes the right of the Chinese Government to tax with discretion the goods produced by Japanese nationals in China provided that the said taxes should not be different from or more than those imposed on the similar goods produced by the Chinese nationals." (Supplementary Treaty, Article iii).

Restriction of Japanese Rights of Industrial Enterprise

(A) Geographical Restrictions

Although China recognized Japanese rights of industrial administration in open ports by the Shimonoseki Treaty of 1895, Great Britain among other Powers was particularly dissatisfied with the areal limitation placed on the industrial administration rights. With the view of extending its application to all parts of China, Great Britain demanded their extension when she concluded the Anglo-Chinese Revision Treaty in 1902—known as the MacKay Treaty. The Chinese Government, still clinging to her traditional policy, did not concede to the British demand, and no change has yet been made. China expressed her intention of prohibiting foreign industrial and manufacturing undertakings in the ports opened for foreign trade, apart from open ports. In short, the ports opened for foreign trade are for commercial purposes only. There are twenty-four ports opened for foreign trade including such places as Woosung, Tsinwangtao, Santuao and Tsinan (among twenty-four, nine marts have not been as yet opened).

Within recent years, however, China set a novel example with regard to Tsinngao (Kiaochow). Due to the existence of foreign-managed industries, which had previously existed, China treated the said district as an exception and allowed those industries to remain as before.

(B) Limitation of Japanese Investments

Previous to the MacKay Treaty, any joint-capital business under Chinese and foreign management had been prohibited. But by the MacKay Treaty China recognized the right of Chinese to own shares in British companies and vice versa. The same principle was recognized regarding Japan in 1903.

According to the present Chinese Corporation Laws, the fundamental principle is that there should be no distinction with regard to the nationalities of employees in Chinese companies and of shareholders. Therefore, at first sight, it looks as if there were no limitation or restriction placed on foreign investments. But, should Chinese companies be located outside of open

EXTRATERRITORIALITY

(Consular Jurisdiction)

Historical Background of Extraterritoriality

The origin of extraterritoriality—the privilege granted to foreigners in China of being exempted from the laws of China and of enjoying the rights and privileges of their respective countries (also called Consular Jurisdiction System)—dates back to the exchange of notes between the British and Chinese delegates after the conclusion of the treaty of Nanking in 1842.

Extraterritoriality was granted for the first time by the subsequent Anglo-Chinese Supplementary Treaty concluded in 1843. Since then, the other treaty Powers have, at various times, secured the same privileges. And it is obvious that the Powers did not secure extraterritoriality by forceful compulsion.

To the foreigners residing in China, extraterritoriality is a system by which their lives and property are safeguarded, but to the Chinese, it is an encroachment on China's territorial sovereignty. The Chinese Government has therefore been demanding the abolition of extraterritoriality. In the Sino-British Treaty of 1902 and Sino-Japanese and Sino-American Treaties of 1903, it is stipulated that extraterritoriality shall be abolished upon complete legislative reform on the part of China. Again, at the Washington Conference of 1922, a resolution was adopted as to the abolition of extraterritoriality, which resulted in the meeting of the investigating committee composed of representatives of the Powers at Peking in December 1925. The result of the committee meeting reported in July of the following year was the conclusion that the time was not quite ripe for the immediate relinquishment of extraterritorial jurisdiction in view of the unsatisfactory nature of China's legislation, court and police systems.

Status of Each Power

Since the establishment of the National Government, particularly in recent years, China has been earnestly requesting the Powers to give up their extraterritorial rights.

China has succeeded in having the consular jurisdictions of Germany, Russia, and a few minor Powers removed. She induced Austria to promise abolition by the treaty of 1925. Belgium, Italy, Portugal, Denmark, and Spain realized that the time was not ripe yet in China for the removal of extraterritoriality at the Committee meeting of 1926, but the National Government induced them to accede to the following clause, effective from January 1930:—

"The citizens of either of the contracting Powers residing in the other's country shall obey the laws and jurisdictions of such country." However, due to the most favoured nation clause, this has not been put into practice yet.

Similar agreements relating to the abolition of extraterritoriality were concluded in April, 1931, between Dr. C. T. Wang, the Chinese Minister of Foreign Affairs, and the Dutch Minister and also the Norwegian Minister. But in the case of the Anglo-Dutch agreement, it does not bind the Netherlands until other

FOREIGN TRADE & COASTAL TRADE

China's Foreign Trade Direct Imports (Gross)

Country	1921		1930	
	HK. Tls.	Percentage	HK. Tls.	Percentage
Japan (including Formosa)	210,359,237	22.55%	327,164,867	24.63%
U.S.A.	175,789,652	18.85%	232,405,941	17.50%
Hongkong	231,138,080	24.78%	218,369,933	16.44%
British India	35,380,635	3.79%	132,168,471	9.95%
Great Britain	149,935,615	16.07%	108,257,932	8.15%
Germany	—	—	69,105,357	5.20%
Dutch Indies	—	—	48,360,659	3.64%
French Indo-China	—	—	28,181,664	2.12%
Belgium and Luxemburg	—	—	27,456,827	2.07%
Other Countries	130,247,121	13.96%	136,760,335	10.30%
Total	932,850,340	—	1,328,231,986	—

China's Foreign Trade Direct Exports (Gross)

Country	1921		1930	
	HK. Tls.	Percentage	HK. Tls.	Percentage
Japan (including Formosa)	172,110,728	28.63%	216,555,242	24.20%
Hongkong	152,875,077	25.43%	158,018,135	17.66%
U.S.A.	89,541,816	14.89%	131,880,076	14.74%
Great Britain	30,913,956	5.14%	62,609,051	7.00%
Russia and Siberia	22,865,428	3.80%	55,413,027	6.19%
Netherlands	—	—	44,943,678	5.02%
Korea	15,097,250	2.51%	44,174,507	4.94%
France	23,945,151	3.98%	42,699,749	4.77%
Germany	—	—	23,361,413	2.61%
Turkey, Persia, Egypt, etc.	17,276,661	2.88%	22,150,223	2.48%
Singapore, Straits, etc.	19,461,388	3.24%	19,176,840	2.14%
Other Countries	57,168,082	9.50%	73,801,653	8.25%
Total	601,255,537	—	894,843,594	—

China's Trade with Japan

(Including Formosa, but not Korea)

Year	Export to Japan		Import from Japan	
	Value	Percentage	Value	Percentage
1917	105,773,819	—	221,666,691	—
1918	163,394,092	—	238,658,578	—
1919	195,006,032	—	246,940,997	—
1920	141,927,902	—	229,135,866	—
1921	172,110,728	—	210,359,237	—
1922	159,754,351	—	231,428,865	—
1923	198,517,346	—	211,024,297	—
1924	201,175,926	—	234,761,663	—
1925	186,337,037	—	299,755,611	—
1926	211,740,869	—	336,909,441	—
1927	208,838,810	—	293,793,760	—
1928	228,602,453	—	319,293,439	—
1929	256,428,320	—	323,141,662	—
1930	216,555,242	—	327,164,867	—

Tonnage of Vessels Engaged in the Carrying Trade to and from Foreign Countries and Between the Open Ports in China

Country	1921		1930	
	Tonnage	Percentage	Tonnage	Percentage
British	42,326,445	36.93%	57,246,927	36.79%
Japanese	31,738,783	27.69%	45,630,705	29.33%
Chinese*	31,791,479	27.74%	29,199,170	18.77%
American	4,510,901	3.93%	6,490,351	4.17%
German	—	—	4,245,842	2.73%
Norwegian	—	—	4,218,277	2.71%
Dutch	—	—	3,347,082	2.15%

ports, foreign investment has to come under a limitation somewhat analogous to the aerial limitation as stated above.

Moreover, enterprises or trading concerns and banks of special nations are subject to various limitations. For instance, the mining industry belongs to the category of special enterprise. In this industry, the amount of foreign capital is not allowed to exceed one half of the entire capital. In the case of iron mining and those mining industries which come under the provisional regulations governing small mines, no foreign capital can be invested. The same applies to the fishing and salt industry under governmental protection. Foreigners cannot become shareholders of the China Merchants S. N. Co., steamship companies, Bank of China, Bank of Communications, and Bank of Agriculture and Commerce. Nor are they allowed to invest in the Chinese cotton and textile, woolen, iron, flature, tea, and sugar industries, which enjoy the privilege of loans from the government for three years in accordance with the Industrial Loan Act promulgated on January 13 in the third year of the Chinese Republic (1914).

Present Conditions in China

(A) To complete the compilation of the following codes and to put them into actual practice.

- (B) The Chinese Government shall establish and maintain a uniform institution regarding the enactment, promulgation and abolition of laws.

(C) The Chinese Government shall enlarge the new systems of law courts, prisons, and jails with a view to abolishing the old provincial courts, prisons, and jails.

But China has not given any attention whatever to these recommendations, the only accomplishment of the Chinese Government along these lines being the promulgation of the revised criminal law and civil law in part. It is vitally important for the safety of the life and property of foreigners in China that the judicial power should be rightfully and fairly exercised. However the prevailing condition is that the Chinese judicial officials and police officers are easily bribed to misapply the law. The military officers and civil administrators often interfere with the judicial authorities, and the independence of judicial power scarcely exists in China.

Owing to the slow progress of the negotiation for abolishing extraterritoriality, China proclaimed in May, 1931, a set of regulations for governing the residence of foreigners in China. Peace and order are not properly maintained in China, and of course no foreigners are subject to the new regulations, of which the following are the principal provisions:—

1. The term "foreigners" used in these regulations means those who enjoy the extraterritorial right on the date of December 31 in the 12th year of the Republic of China.
2. Foreigners shall be subject to the jurisdiction of the local Chinese law courts of all grades.
3. In order to handle civil and criminal cases in which foreigners are defendants, special law courts shall be established in the local law courts of Harbin, Mukden, Tientsin, Tsingtao, Shanghai, Hankow, Hsiakao, Kungking, Minkao, Canton and Kunning and in the high law courts of adjacent districts.
4. The chief judge of the above special court shall be appointed from among the judges belonging to the respective courts.
5. When a foreigner becomes a defendant in either a civil or criminal case under jurisdiction other than the law courts provided for in Article 3, he may apply in writing for adjudication in the court concerned.
6. The special court may nominate several counsellors. The counsellors shall be appointed from among the local civil officials who are upright in conduct and are fully competent as judges with expert knowledge of law, but the rendering of counsel shall not be restricted to Chinese, and foreigners are also allowed to make application for their own counsel in writing to the foregoing special law court. However, in no case whatever will foreigners be allowed to interfere with judicial decision.
7. Restraint, arrest and domiciliary search in the case of foreigners shall be made in accordance with the law of criminal procedure. When a foreigner is arrested on the charge of violating the criminal law or other criminal regulations he shall be tried in the law court, but the hours of detention shall not exceed 24.
8. (Omitted)
9. In a civil or criminal case involving foreigners, the parties concerned are allowed to appoint an advocate either Chinese or foreign in accordance with the legal provisions, but laws and ordinances governing Chinese advocates shall be likewise applicable to the advocates.
10. Foreigners violating the police regulations shall be tried at the law court or at the police station. In the latter case, the penalty shall be a fine not exceeding 15 yuan, but the former shall not be subject to this provision. When the fine is not paid within 5 days in the case of police examination, the offender shall be detained at the rate of one yuan per day.
11. The warrant of restraint, arrest and detention shall be issued by the order of the local administration office.

In the new Trade Mark Law of China, in force since January 1930, there is no provision for punishing the infringement of trade mark rights, and such cases come under the criminal laws. The old trade mark law in force under the Peking Government contained definite clauses for punishment. With especial reference to counterfeiting or imitation, it provided as follows: "Counterfeiting or imitating the registered trade mark of another person with the intention of using it or causing it to be used by others for the same goods shall be punished with penal servitude for a term not exceeding one year or with fine not exceeding 500 yuan together with forfeiture of the articles concerned."

The new trade mark law is defective in many respects, there being no such clause as that cited above. The trade mark law is almost powerless to punish the violators, and it is more liable to encourage counterfeiting and imitation of trade marks. It is natural therefore that cheaper articles should be popular among Chinese merchants whose commercial moral standard is low with respect to the imitation and counterfeiting of trade marks.

As a result, Japanese sundry goods, refreshing preparations and toilet goods which can easily be imitated, suffer considerably. This state of things particularly hampers the sales of Japanese articles in Tientsin and its vicinity.

Some time ago, someone started to sell all over China twisted yarn of inferior quality bearing the imitated trade mark "Hinode Jirushi" (Rising Sun Trade Mark) of the Teikoku Seishi Kaisha (Imperial Spinning Co., Ltd.) of Osaka, Japan. After an investigation, it was found that the Shanghai Industrial Waxed Wire Works was responsible. Thus, in March, 1931, the Toa Company, the general agent for "Hinode Jirushi" products, took action against the Shanghai Industrial Waxed Wire Works on the charge of trade mark counterfeiting—(punishable by Article 268 of the Chinese Criminal Laws) at the Shanghai Special District Court. But the court decided the case against the plaintiff because it could not be interpreted as a case of trade mark counterfeiting from the viewpoint of the Chinese Criminal Laws.

On April 10, the Nationalist Government suddenly issued the following order to the Trade Mark Bureau of the Department of Business: "According to the interpretation of the Shanghai Special District Court, a mere imitation of trade marks does not constitute sufficient grounds for considering it as counterfeiting. But if a trade mark registered by another party is imitated with fraudulent intentions, such case may be regarded as counterfeiting."

On April 14, a similar case occurred. Brunner, Mond & Co. (British) took action on the charge of trade mark counterfeiting in regard to its metal polish products. Again, the plaintiff lost the case.

The Shanghai Special District Court passed judgment as follows: "The evidence is not sufficient to prove the fraudulent intention of counterfeiting a trade mark."

It will thus be seen that in China one can imitate any trade mark with impunity, though in order to protect the trade mark rights, other countries have regulations for punishing not only fraud but also imitation.

China ignores these fundamental principles and allows trade mark imitation without due discrimination. The registrations in accordance with the trade mark law offer no protection whatever. Many Japanese trade marks have thus been abused in China.

As the matter stands now, in the First International Conference which was convened during November, 1930, even the items of loans to be fixed in the consolidation draft had to be left unsettled and have so remained up to now. At any rate, Japan has loaned by far a greater amount to China as compared with other foreign countries, and has indeed a vital concern in this matter. Such a large amount as represented by the Nishihara Loans must by all means be consolidated successfully.

In order to construct railways in Manchuria, China made huge loans from both the Japanese Government and the South Manchuria Railway Company. She has not paid either the principal or the interest. With these railways financed with Japanese capital, China menaces the S. M. R. ignoring the Japan-China Agreement, and constructs competitive lines and plans the construction of harbours, etc. The unsettled accounts of the Manchuria and Mongolia Railway loans, not counting the Kirin-Changchun railway loan, amount to more than ¥ 160,000,000, the details of which are as follows:—

China owes in addition ¥1,660,000 for the purchase of Japan's military railway between Mukden and Shinmintun in 1905, the initial loan of ¥2,500,000 in 1908 and the 2nd loan of ¥4,000,000 in 1917 on account of the Kirin-Changchun loan agreement.

(Unit ¥1,000—Outstanding on Jan., 1st, 1930)

Name of Loan	Amount of	Amount of Principal and Interest	Name of Creditor
Boxer Indemnity Account ...	113,917		Government
Five Powers Adjustment Loan Account ...	50,000	46,654	"
World War Participation Loan Account ...	20,000	Under investigation	"
Tsi-kao Railway Preparatory Loan Account ...	20,000		
K'ihel Forestry and Mining Loan Account ...	30,000		
Wire Telegraph Loan Agreement Account ...	20,000		
Bank of Communications Loan Account ...	20,000		
Japan-China Ten Million Yen Loan Agreement Account ...	10,000	11,449 (with interest)	Yokohama Specie Bank
Peiping-Suiyuan Line 1st Loan Account ...	3,000	5,027 (with interest)	Toa Kogyo Co.
Peiping-Suiyuan Line 2nd Loan Account ...	3,000	6,263 (with interest)	Toa Kogyo Co.
Nan-Hsün Railway Loan Account ...	5,000	14,011	Toa Kogyo Co.
Nan-Hsün Railway 1st Loan Account ...	500		
Nan-Hsün Railway 2nd Loan Account ...	2,000		
Nan-Hsün Railway 3rd Loan Account ...	2,500		
Wire Telegraph Loan Account	20,000	28,665 (with interest)	Exchange Bank of China
Communications Dept. Telephone Development Loan ...	10,000	10,000	Chunichi Jitsugyo Co.
Wire Telegraph Development and Improvement Account ...	15,000	10,000	Toa Kogyo Co.
Shuang-chiao Wireless Station Construction Loan Account ...	5,363	5,363	Mitsui Bussan Co.
Total Loan Account	350,280		

directly the decrease of Japan's men's shipping business in China, roads for Chinese markets, and with China. In addition, some Central China were compelled to the severance of economic ties in strikes against foreigners. In 1928, the Anti-Japan Society was founded by the Kuomintang (the Government), and it directed the activities in various parts of China. It was a government organization, and its activities were directed by the Kuomintang. The Anti-Japan Society, the condition is different from the Anti-Japan Society that prevailed formerly. It may

ds for anti-imperialism in theory, and
nt as an expression of patriotism. It
r an expression of local Anti-Japanese

n-wide scale, quite unlike the temporary

movement is not carried on in the ouflage movement organized by some ble rowdies who aim at promoting a national movement.

3 to the Customs Agreement in 1930 definitely states that on trade duty, transit duty and all other duties on foreign trade, and no such step has yet been taken on the products of Chinese cotton and various duties by the use of which is obtainable from the Treasury Department by paying a certain amount on the products of Chinese and Japanese goods. Similar payment have to meet heavy

light rates are charged on Japanese
Railways. For instance, the
lines quote different rates for
charging specially high rates for
foreign elements; Chinese cotton
is charged as 2nd class, while those of
other countries are charged as 1st class,
being strikingly higher than the former.
Even in the same category, and all
the lines around Shanghai
are enforcing these discriminating
rates. The Railway Department of the National
Government has charged exorbitant rates on
the articles manufactured in Japanese

ernment, which has adopted a
has been using Anti-Japanese
public schools and high schools with
Anti-Japanese movement till Japan
treaties, and returns the Kanto
Railways, and acknowledges
restores Formosa.
In Japan chapters, more than 320 are
aggressive policy towards China;
(2) The History of Japan's
China; (3) History of Japan's
power in China; (5) The policy
in Japan; all these are minutely
there are numerous Anti-Japanese

Other Flags	4,251,936	3.71%	5,227,600	3.35%
Total	114,619,544	—	155,605,954	—

* Including Junks entered and cleared at the Marine Customs.

Though nothing is mentioned about the coastal trade right of foreign vessels in the Nanking Treaty of 1842 between Great Britain and China, the Chinese Government gave implicit consent to the coastal trade of foreign vessels and their access to ports not opened to foreign trade. This policy was due to the fact that foreign vessels were considered safer than the Chinese boats.

In the Anglo-Chinese Treaty of 1858, the sailing and trading of foreign vessels between the ports not opened to foreign trade were prohibited, but it did not provide any restriction of the coastal trade, which was regarded as the foreigners' vested right. However, the abuses in connection with the taxing of goods transported were such that the Chinese Government promulgated the coasting trade law in 1861 for the first time. This was the official recognition of the right of foreign vessels to engage in coastal trade. The tax system was adjusted incidentally at the same time. But it was not until China's treaty with Denmark was concluded in 1863 that the right came to be recognized by a treaty. It has since become a general practice to have a similar provision in treaties with other countries. It will thus be seen that the coastal trade right really started from usage or custom rather than from a treaty or foreign compulsion. In a country like China, where navigation is in a primitive stage and internal strife and piracy prevail, the permission granted to foreigners to engage in coastal trade has contributed much to the safety and convenience of commerce and communication in China.

The Chinese people seem to regard the coastal trade as a measure of economic invasion on the part of the Powers, or else regard it as one of the chief causes for the undeveloped shipping business in China. In their recent demand concerning the revision of unequal treaties, the Chinese insisted on prohibiting the coastal trade by foreign vessels. In carrying out this aim, the Communications Department of the Chinese Government directed the Shanghai Shipping Association to use Chinese vessels exclusively. It is also strictly prohibited the hoisting of foreign flags on Chinese vessels. China aims at bringing every possible pressure to bear upon the coastal trade of foreign vessels. But those vessels which China possesses at present are all of smaller and older types, and are of course inferior by far to those of Japan and Great Britain. And as to the number of vessels, no remarkable increase has been made on account of China's repeated internal troubles.

According to the statistics at the close of 1930, there were 3,220 vessels registered at the Maritime Customs as sailing between open ports and ports not opened to foreign trade in accordance with the regulations for Inland Waters Navigation. Of the above figures, 2,627 were Chinese, and 544 were foreign.

The ships engaged in trading between the open ports of China may be classified by countries as follows: Of the total, Japan represents 20 per cent in the number of ships and 27 per cent in tonnage. Japan and Great Britain combined represent more than 60 per cent as shown in the following table. (1930)

Countries	Entered		Cleared	
	Tonnage (Unit : 1,000 tons)	Number of vessels	Tonnage (Unit : 1,000 tons)	Number of vessels
Great Britain	20,172	18,932	20,453	18,971
Japan	14,203	12,013	14,594	12,238
China	12,485	22,488	12,469	23,299
U. S. A.	1,167	2,718	1,283	2,741
Norway	1,234	605	1,252	592
Germany	1,179	296	1,192	295
Netherlands	665	158	866	208
Portugal	346	996	356	1,024
France	216	305	235	315
Denmark	195	78	220	83
Italy	148	55	165	58
Sweden	70	21	61	18
Belgium	41	12	41	12
Others... ..	33	20	25	15
	52,154	58,697	53,212	59,869

SUMMARY OF POLITICAL AND ECONOMIC

COMPIL

THE OSAKA CHAMBER OF

19

What Economic Interests and Privileges Has Japan in China?

MANCHURIA, MONGOLIA AND JAPAN

Special Rights and Interests of Japan in Manchuria and Mongolia

The facts concerning our interests and privileges in Manchuria and Mongolia constitute a long story. Moreover, they are legitimate rights and have a vital bearing on the existence of our nation.

In order to understand the special footing of our country in Manchuria and Mongolia, it is necessary to retrace the relations between China and Japan that have existed since the Sino-Japanese War. After the war Japan obtained by the Shimonoseki Peace Treaty the cession of the region south of Newchwang and Haicheng in South Manchuria. But as a result of the intervention of the three Powers, Russia, Germany, and France, she had to return the region. But Dairen and Port Arthur, which China had taken back from Japan, were soon ceded to Russia. Russia was enabled to construct the Chinese Eastern Railway and China also concluded with Russia a secret treaty for offensive and defensive alliance against Japan. In 1900 at the time of the Boxer Rebellion, Russia dispatched her army to Manchuria and occupied important places and even tried to invade Korea. In the midst of such a crisis jeopardizing the peace of the Far East, China remained indifferent and took no step. But to Japan the Russian advance toward the south meant the life or death of the country, and there was no choice but to fight, even risking the independence of the nation. Fortunately for Japan, she won. By virtue of the Portsmouth Treaty of 1905, Japan took over the Russian right to lease the Liaotung Peninsula and the right to the branch line of the Chinese Eastern Railway south of Kwang-chengtzu, and other rights. In December of the same year China recognized these rights by the Peking Treaty, and the extension and revision of this treaty was planned later by the Sino-Japanese Treaty of 1915.

At the time of the Russo-Japanese War, China had a secret agreement for offensive and defensive alliance with Russia, which in itself was enough to make Japan the lawful holder of South Manchuria south of Changchun, without troubling China to recognize the aforesaid rights there.

Japan, however, did not swerve an inch from the path of righteousness and was satisfied with no more than the guarantee of Manchuria against any further aggression of other Powers and the acquisition of a special economic position in Manchuria in return for the sacrifices she had made.

Since the Russo-Japanese War, Japan has done her best to maintain peace and to accomplish the peaceful development of Manchuria. The enormous amount of money invested there may be estimated at more than a billion yen, in consequence of which Manchuria has made great progress economically. Facilities for communications were introduced and the farm products increased. Manchuria is now considered the richest and most peaceful region in China. The population has increased during the past twenty years from five or six million to 30 million, more than a million immigrants per annum still pouring in steadily from China proper.

PROBLEMS RELATING TO RAILWAYS

The South Manchuria Railway

The South Manchuria Railway was a section of the branch line of the Chinese Eastern railway from Harbin to Port Arthur and Dairen, the charter for which was acquired by Russia by the Russo-Chinese Treaty of March, 1898. The section south of Changchun was ceded to Japan by the Portsmouth peace negotiations (Articles 5 and 6 of the Manchurian Treaty, 1905). According to Article 12 of the Russo-Chinese Treaty concerning the management of the Chinese Eastern Railway of September 8, 1896, the same line can be restored to the Chinese Government on the payment of a certain price after 36 years counting from the day when the operation started (July 1, 1903). At the expiration of the period of 80 years, the railway line and all the property thereof were to be given up to the Chinese Government, but by the Sino-Japanese Treaty of May, 1915, the period of lease of the line was extended to 99 years and by the annex to the treaty it was stated that "the leasehold period of the South Manchuria Railway expires in the year 2002." The clause relating to the restoration of the line to the Chinese Government was struck out, and the right will remain valid for 71 years more.

The Antung-Mukden Railway, now a part of the South Manchuria Railway, but formerly a military light railway, was rebuilt in accordance with Article 6 in the Agreement annexed to the Sino-Japanese Treaty on Manchuria in December, 1905. This line, too, was to have been sold back to China according to the evaluation of a disinterested third person in 1923, but this period also was extended to 99 years by Article 1 of the Sino-Japanese Treaty of May, 1915, and according to the annexed public statement, the period of the lease expires in 2007 and so the right remains valid for 76 years more.

Agreements on Railway Rights

China by laying and operating lines parallel to the S.M.R. is violating the rights and interests of the Japanese railways. The right to lay railways is originally based upon the third chapter of the appendix concerning the lease of Port Arthur and Dairen concluded between Russia and China in April, 1898, which provides: "Russia agrees that though the terminus of the branch line of the Siberian railway may reach Port Arthur and Dairen, it shall not reach any other place on the shores of the peninsula and also both countries agree that no other Power shall obtain the right of laying a railway in the territories where the branch line is passing and it is not Russia's concern even if the extension of the Chinese Shanhaikwan railway may come near that branch." According to this treaty, the interests in the districts through which the branch line of the Siberian Railway, that is, the S.M.R., passes must not be handed over to a third party, and even China herself is allowed to lay only the Shanhaikwan Railway, or the present Peiping-Mukden line, in the vicinity of the S.M.R. This right which Russia possessed was completely taken over by Japan by Article 1 of the Sino-Japanese Treaty concerning Manchuria in 1905.

But the last part of the third article of the Russo-Chinese treaty somewhat lacking clearness in its meaning, Japan further provided in Article 3 of the agreement between China and Japan concerning Manchuria, in order to protect the interests of the S.M.R., that China before its restoration agrees that any parallel line, any branch line which may injure the interests of that railway shall not be laid, and this treaty is today still effective. China does not regard this agreement as a regular treaty.

LEASED TERRITORIES, CONCESSIONS AND FOREIGN TROOPS

Historical Background of Leased Territories

Although China had ceded the Liaotung peninsula by the Shimonoseki Peace Treaty following the Sino-Japanese War, she later succeeded in compelling Japan to return the peninsula through the intervention of three great European Powers, namely, Russia, Germany, and France. Later on, in March, 1898, Germany, captured Kiaochow on the pretext of the murder of a German missionary. In the same year, Russia leased Port Arthur and Dalny. Following the German and Russian examples, France secured Kwangchow Bay on the coast of Kwanghsi in April, 1898. Great Britain, too, leased Kowloon, on the opposite side of Hongkong, and Weihaiwei in June and July of 1898 respectively to counteract the Russian policy. The lease of Weihaiwei was stipulated to extend as long as Russia held Port Arthur and Dalny.

Later on, Russia became a menace to the peace of Asia through her aggressive foreign policy in Manchuria and even jeopardized the position of the Japanese Empire. At last, this culminated in the Russo-Japanese War, as an aftermath of which the Russian rights in Manchuria were transferred to Japan.

Leased Territory of Kwantung Province

In accordance with Article V of the Treaty of Portsmouth, Japan acquired by transfer the leased territories of Port Arthur and Dalny (Dairen) from Russia, to which China gave her approval. Article III of the Sino-Russian Treaty on the lease of the Liaotung peninsula of 1898 provided that the lease might be extended by the agreement of both countries when it came to an end. The lease was to expire on March 26, 1923. But Japan obtained the extension of the lease for 99 years by Article I of the Sino-Japanese Treaty of May, 1915. Thus the period of the lease became the same as those for Kowloon by Great Britain, Kwangchow Bay by France, and Kiaochow by Germany. According to the Supplementary Official Note, the lease was to expire in 1997 and therefore it will be effective for 67 years more. China first tried to recover the leased territories at the Paris Peace Conference, to which no response was made on the part of the Powers. On December 3, 1921, however, China again requested the restoration of leased territories at the Far Eastern Committee meeting of the Washington Conference. According to the agreement reached at that time, Great Britain returned Weihaiwei in October, 1930, but she still holds Kowloon. France had declared her willingness to return Kwangchow Bay, but she has not carried out her promise yet.

The Railway Zone

The Railway zone in Manchuria is different from either leased territories or concessions in its nature. It is under the administration of the Japanese Government and the area of the zone is at present a little over 16 square Ri (1 ri=2.44 miles). The railway zone came into existence by Article VI of the Russo-Chinese Treaty of August, 1896, which states: -

"Land required for the construction, management and protection of the railway or land required for digging out gravel, stones, and coal shall, if owned by the government, be handed over to Russia free of charge by the Chinese government, and if owned by private individuals, shall be sold in accordance with market price.

The company shall have an absolute right over those lands and no taxes of any kind shall be levied on any of the company's

JAPAN'S RIGHT TO LEASE LAND AND OTHER RIGHTS; CHINA'S VIOLATIONS OF THESE RIGHTS

Foundation of the Lease Right

Japan's lease right in Manchuria and Mongolia is based upon "the Treaty Relating to South Manchuria and Eastern Mongolia." In Article 2, it is stated, "the subjects of Japan have the right to lease land necessary for the construction of commercial or industrial buildings or for engaging in agriculture." Also in the supplementary document the right is confirmed as shown by the following clause: "The term 'lease' covers a period of 30 years and includes also the right of renewal without condition."

Renewal without condition means practically the ownership of land. It is provided: "No matter whether the other party wishes renewal or not, the lease right remains valid without requiring either any step for the conclusion of new agreements or the payment of any price."

The right is definitely stipulated in the treaty, but in reality it is mostly infringed upon by the Chinese authorities.

Presidential Ordinance Interfering with the Lease Right

The former Peking Government promulgated the Traitor Punishment Ordinance by order of the President, according to which any person who privately makes an agreement with a foreigner and injures the national right shall be considered a traitor and be punished with death. The wording of the ordinance is somewhat vague, but, in meaning it is clear that any one who makes a contract of lease in accordance with the treaty shall be put to death. For the enforcement of this law, the delay of half a year was asked, during which period China formulated regulations and interfered with the lease of land. The Chinese Government is still pursuing this policy. Owing to this hostile attitude of the Chinese authorities, the land and business management of Japanese residents has completely failed.

Pressure Upon the Industrial Rights

The right of the Japanese to engage in industries in Manchuria is fully recognized by the Japan-China Treaty of 1915. However, the oppression of the Chinese authorities is such that various lines of industries are destined to gradual decay.

In the case of the Manchurian Spinning Company, which is a Japanese corporation, for example, the Chinese authorities, in order to protect the products of the Mukden Spinning Mill, which is a Chinese corporation, have heavily taxed the former's products without recognizing the privilege for the exemption of tax previously obtained from the Peking Government by the Manchurian Spinning Company. Also, they have tried to undermine the business of the South Manchurian Sugar Company by holding up its supply of raw materials. The Manchurian Electric Company in Harbin, one of the most influential Japanese enterprises in North Manchuria, used to supply electricity quite widely in Harbin and vicinity. But the Chinese have

ANTI-JAPANESE AGITATION AND EDUCATION

Principal Events of the

1. **The Tatsu Maru Incident.**
This began with the protest lodged Tatsu Maru in March, 1903, and ended in 1909 from August to October, Manchuria was vigorously carried out. The rebuilding of the railway began in October.
2. **The Antung-Mukden Railway Incident.**
In 1909 from August to October, Manchuria was vigorously carried out. The rebuilding of the railway began in October.
3. **Sino-Japanese Parley Incident.**
At the time of signing the Sino-Japanese Treaty, Japanese goods were first started in October.
4. **Shantung Problem.**
Owing to the unfavorable settlement of the Peace Conference in 1919, a great anti-Japanese movement broke out over China on the National Humiliation Day, December 9.
5. **The Recovery of Port Arthur and Dairen.**
The boycott against Japan, started in 1919, was continued in 1920. The centre of activity was in central Manchuria with Japan was finally declared in October.
6. **The May 30 Incident.**
The May 30 incident, so called because of a strike of Chinese laborers at a nation-wide strike and the boycott of Japanese goods in many places.
7. **The Shantung Incident.**
Owing to the outrages in Nanking, Japan dispatched troops to Shantung in 1928; as a measure of protest against the Japanese goods in many places.
8. **Tsinan Incident.**
The dispatch of troops in 1928 to prevent a rise to the Tsinan incident. As the Anti-Japan Society was formed and were conducted unscrupulously.
9. **Wanpaoshan Incident.**
This incident was due to the dispute over the rice-fields of Korean farmers at W. A retaliatory riot of the Koreans against the Japanese societies were organized in the middle of July, to agitate against the Japanese goods.
10. **Manchurian Affair.**
The self-defensive action of the Manchuria according to the Sino-Japanese Treaty of 1915, the destruction of some lines near Mukden on the 18th September, 1931 by the Chinese. Anti-Japanese movement throughout Manchuria was conducted by the Kuomintang (the Nationalist Government) and a boycott, but may be called a war of resistance.

Economic Blockade

The cases of Anti-Japanese economic measures. China resorted to measures of economic blockade against Japanese goods. The Chinese, not only refused to purchase Japanese goods, but also resorted to the severance of economic relations with Japan.

If Japan had not driven Russia out of Manchuria, Manchuria and Mongolia would today be in the possession of Soviet Russia. China would also be on the verge of national disintegration.

But China does not recognize Japan's interests as represented by her investment, blood, effort, and sacrifice. On the contrary, she endeavours to ignore the rights of Japan acquired by the treaties, resorting to unscrupulous measures, and is doing all she can to drive out Japan from Manchuria and Mongolia.

Japanese Population in Manchuria and Mongolia

Name of place	
Newchuang	11,749
Liaoyang	12,303
Mukden	127,468
Antung	63,542
Chientao	397,193
Tiehling	15,703
Chengchiatun	1,871
Changchun	21,114
Kirin	18,643
Harbin	36,830
Tsitsihar	9,779
Manchouli	406
Chihfeng	1,482
Total in Manchuria	718,083
Total in Kanto District	117,846
Grand total	835,929

Japan's Investment in Manchuria and Mongolia

	yen
Investment through loans	238,062,342
Investment through corporate enterprises	1,135,351,929
Investment through personal enterprises	94,991,560
Total value	1,468,405,831
Classification of enterprises	
Transportation	\$22,303,999
Manufacturing industry	105,620,605
Commerce	117,752,987
Electricity and gas	37,054,558
Financial operation	204,338,826
Insurance business	325,000
Agriculture and forestry	23,310,822
Mining	99,785,887
Enterprises not otherwise recorded	57,913,147
Total value	1,468,405,831

Imports and Exports in Manchuria

Country	EXPORTS (H.K. Tls.)		
	1930	1929	1928
Japan	98,485,990	114,717,334	107,517,682
Korea	2,614,117	2,426,727	3,433,780
Hongkong	5,173,756	5,501,593	5,823,055
British India	9,037	7,839	4,000
Dutch Indies	6,083,012	7,037,951	6,204,272
Russia (Pacific Coast)	310,201	635,828	102,270
Other Asiatic Countries	2,280,633	2,477,226	2,261,350
Britain	10,241,302	21,591,656	13,509,018
France	887,290	1,068,642	1,034,095
Netherlands	34,727,721	29,703,478	16,262,558
Belgium	1,636,535	321,950	232,776
Germany	3,279,591	1,315,730	1,560,163
Sweden	195,385	401,710	194,301
Italy	683,174	4,881,722	5,365,681
Other European Countries	435,099	192,319	89,720
Canada	306,428	435,297	62,332
U. S. A.	6,180,483	9,998,626	6,763,611
Other American Countries	76,700	150,391	546,495
Africa	—	—	—
Australia	2,553	15,492	273,044
Other Countries	9,134,347	34,919,553	17,118,664
Total	182,943,354	237,801,064	188,359,876

Country	IMPORTS		
	1930	1929	1928
Japan	75,930,994	83,261,487	66,070,082
Korea	1,895,392	1,532,542	1,118,872
Hongkong	9,134,333	11,394,824	9,043,592
British India	1,189,855	1,780,334	2,904,618
Dutch Indies	426,729	408,107	315,483
Russia (Pacific coast)	371,089	682,777	139,483
Other Asiatic Countries	159,800	202,657	117,863
Britain	9,890,456	9,320,656	6,155,367
France	802,609	699,269	2,126,032
Netherlands	1,243,510	922,847	624,685
Belgium	2,842,759	4,962,532	3,182,469
Germany	11,498,871	7,650,403	6,146,190
Sweden	373,303	147,733	162,624
Italy	596,505	1,459,372	532,037
Other European Countries	142,782	124,711	109,574
Canada	760,653	3,239,305	394,922
U. S. A.	18,395,060	22,247,085	17,695,208
Other American Countries	104,005	561	920
Africa	262,156	30,060	—
Australia	286,785	9,565	37,999
Other Countries	521,510	900,165	168,213
Total	136,829,156	151,176,992	117,046,243

but Japan's protest against the plan of laying the parallel line between Fakumen and Shinmintun was based on this agreement and the Chinese Government had at last to accept it. Then again, when she tried to cooperate with an American concern to build the Hinchow-Aigun Railway, the Sino-Japanese agreement prohibiting parallel lines was very effective, and China herself had to recognize the validity of this agreement. The building of the Ta-tung line, Shen-hai line, and Ki-hai line is clearly in violation of the treaty concerning Japan's special rights.

Railway Problems

(1) Ta-tung line: This line connects the Ssuningkai-Taonan Railway and the Peiping-Mukden line. It is a main line together with the Taonan Angangchi, Ssuningkai-Taonan, and Chengchiatun-Tungliao lines parallel to the S.M.R. in the west. China, infringing upon the Sino-Japanese Treaty relating to Manchuria, planned to build it in 1922. Ignoring Japan's strong protest, China went ahead with its construction and completed the work in December, 1927.

(2) Kirin-Hailung line: This line together with the Mukden-Hailung line constitutes the main line parallel to the S.M.R. in the east. China also promised to lease these lines to Japan in a note exchanged concerning the four railways in Manchuria and Mongolia in 1918, but the Chinese authorities began to build the Kirin-Hailung road in cooperation with the Kirin people without consulting Japan at all. Ignoring Japan's note of protest, the line was opened in August, 1929, and it is now planned to join the Kirin-Changchun, and the Kirin-Tunhua lines.

(3) The loan adjustment problem of the construction expenditure of the Taonan-Angangchi Railway: The S.M.R. had the contract for this line, and it was completed in July, 1926, being handed over to China in December of the same year, but even now the Chinese authorities refuse to pay the price agreed on.

(4) The question of the adviser to the Taonan-Angangchi Railway: It has been agreed to have a Japanese adviser to supervise all the accounts, and his signature was to be affixed together with that of the chief executive of the railway to all papers of expenditure, but China has ignored this agreement.

(5) The connection problem of the Peiping-Mukden and Mukden-Hailung Line: By the Sino-Japanese agreement concerning the extension of the Peiping-Mukden line, the Mukden-Hailung and Peiping-Mukden lines are not allowed to be connected; in spite of this agreement, China connected these two lines in March, 1927.

(6) The connection problem of the Kirin-Hailung and the Kirin-Changchun line: After the completion of the Kirin-Hailung line, ignoring Japan's protest, China sent a request to allow her to make the freight connection of the Kirin-Changchun and the Kirin-Hailung lines, but Japan did not consent to it and the matter was dropped.

(7) The construction expenditure problem of the Kirin-Tunhua line: The construction of this line was contracted for by the S.M.R. and when completed in October, 1928, it was handed over to China, but since then three years have passed, and the construction cost has not been paid. Moreover, China has not appointed a Japanese chief accountant as agreed.

(8) The loan adjustment problem of the Ssuningkai-Taonan line: The time limit of the loan adjustment totalling ¥32,000,000 expired at the end of May, 1926, and Japan demanded the adjustment, but China did not respond. As the result, the interest up to May, 1929, amounts to more than ¥10,000,000.

Lines Parallel to South Manchuria Railway, and those Enveloping S.M.R.

(1) Parallel railways financed with Chinese capital are as follows:—

Ta-tung Railway (251.5 kilometers from Tahushan station of Pei-ning line to Tungliao).

Shen-hai Railway (236.6 kilometers, main line from Shen-yang to Hailung and also branch line from Meihokou to Hsian).

Ki-hai Railway (205.2 kilometers, from Hailung to Kirin). Kai-feng Railway (64.4 kilometers, from Kaiyuan to Hsifeng; this is a light railway).

(2) Enveloping Railways financed by Chinese capital are as follows:—

Tsi-ang Railway (12.9 kilometers, Angangchi to Tsitsihar). Hu-hai Railway (220 kilometers, from Sungpu, opposite Harbin, to Hailun).

Tsi-ku Railway (from Tsitsihar to Kushan). Tao-so Railway (from Tao-an to Solun, under construction).

In regard to the total mileage of these railways, the parallel lines only amount to 757.7 kilometers and with the enveloping lines added, the total distance is 991 kilometers. Furthermore it is said that the Chinese plan to envelope the S.M.R. lines on quite a large scale and the tentative lines already announced involve 55 lines altogether. With such plans in addition to the completion of Hulutao harbor, China seems to intend to undermine the whole foundation of Japan's rights and interests in Manchuria.

income or wages, etc."

Japan has obtained the above right by transfer in accordance with Articles I of the Sino-Japanese Treaty of 1905 on Manchuria. The general administrative authority in connection with civil engineering, education, and sanitation are entrusted to the South Manchuria Railway. At present, there are about 91,000 Japanese and no less than 290,000 Chinese residing in that district.

With the view of maintaining the security of lives and property of the Japanese and Chinese residents and of promoting educational and sanitary institutions, Japan through the South Manchuria Railway, has spent a huge sum of money for a number of years. As a result, an ever increasing migration of Chinese has come over to Manchuria, and industries on modern lines have sprung up in this region.

Historical Survey of Foreign Concessions

The term "foreign concessions" means the districts set apart for foreigners' residence in the principal commercial cities of China. Although they are parts of Chinese territory, the administrative authority belongs to the Powers concerned. The most prosperous and also the oldest foreign concession is the international concession of Shanghai, which came into existence by the Supplementary Treaty between Great Britain and China of 1843. This concession was not acquired by force, but was ceded to Britain from the standpoint of mutual convenience with a view to making it a foreign residential district. More foreign concessions were established later in other commercial centres, and today there are more than ten concessions.

Foreign concessions may be divided into two categories: those belonging exclusively to one country and those under international control. In any case, foreign concessions have been not only the safety zones for foreign residents but also the districts through which foreign trade has been developing. Moreover, some Chinese politicians and millionaires, as well as numerous industrialists, businessmen, and laborers have come to reside in foreign concessions in order to enjoy the security of their lives and property. In consequence, the Chinese residents have so increased as to outnumber the foreign residents.

Present Condition of Foreign Concessions

During the Great War, China succeeded in recovering the German, Austrian, and Russian settlements and concessions. In January, 1927, the National Government of the South recovered the British concessions at Hankow and Kiukiang by force. The British Government returned its two concessions at Chinkiang and Amoy in 1929 and 1930 respectively. In March, 1929, Belgium agreed to relinquish her Tientsin concession. At the end of 1930, the National Government requested both Japan and France to return the Hankow concession. The French Minister to China, Monsieur Welden, is said to have answered that he would like first to ask for the permission to keep an airplane at the Legation. What he was driving at was this—the time is not yet ripe for the relinquishment of foreign concessions in a country where the prevailing condition is so chaotic that a foreign minister might unexpectedly have to escape by airplane to a place of safety.

Problems of Foreign Troops Stationed in China

At present, the troops of several Powers are stationed along the route between the legation quarter at Peiping and the sea-coast. This practice is based on Articles VII—IX of the Boxer Protocol of 1901; it ensures not only the communication between Peiping and the sea-coast, but also the safety of foreigners residing in Northern China.

Japan is entitled to station 15 soldiers per 1 kilometer along the South Manchuria Railway lines—that is, about 15,000 soldiers altogether in Southern Manchuria, in accordance with various agreements such as the Chinese Eastern Railway Treaty of 1896, (sometimes called the Casini Treaty) Article V; the Russo-Japanese Peace Treaty—Supplementary Section, Part I; the Russo-Japanese Protocol, Article V; and the Supplementary Agreements, Article II. Great Britain, France, and Japan have maintained their troops in Shanghai without any treaty stipulations since the May 30 incident of 1926.

These practices, China has contended, have been carried on in defiance of China's sovereignty. However, having witnessed deplorable incidents at Nanking, Hankow, and Tsinan and having taken into account that China is not yet free from internal strife, the maintenance of foreign troops is considered indispensable for safeguarding lives and property of foreigners and for protecting commerce. China also looks upon foreign warships freely frequenting the Chinese coast and interior waters as a practice in defiance of China's sovereignty. However, the practice is still considered necessary and it cannot yet be dispensed with, due to the chaotic conditions in China.

now established their own electrical works with a capital of ¥4,000,000, in co-operation with the officials of Kirin Province. As a result, they have now their own 5,000 kilowatt power station, and have confiscated the franchise for building a tramcar line from the North Manchurian Electric Company and are even trying to deprive the electric light business of its rights. The Chinese authorities also resort to police persecution to force subscribers to change the source of their electric light supply. These instances are cited to give an idea of Chinese persecution to which the Japanese enterprises are subjected.

Interference with the Mining and Forestry Rights

It is definitely stipulated in the Agreement of 1909 on the five Manchuria problems that the mining industry along the main lines of the South Manchurian Railway and the Antung-Mukden Line shall be jointly operated by Japan and China. The Chinese Mining Act recognizes the right of operating mines by a corporation jointly financed by foreigners and Chinese. In spite of these facts the Chinese authorities unlawfully attempted to deprive Japan of the legitimate right of mining in Manchuria and Mongolia and even lodged a protest against Japan's right to carry on the oil shale industry in Fushun, saying that no such right is stipulated by the treaty. A similar step was taken by the Chinese authorities in lodging a protest against the coal mining of the Penhsihu Coal & Iron Works which industry has been conducted during the past 22 years under the joint management of the Okura Company and the Mukden authorities by legitimate contract. Many other mining rights once ceded to the Japanese have been unlawfully confiscated.

The Japan-China Treaty of 1915 definitely confirms Japan's right of engaging in the forestry industry in South Manchuria, but China ignores this right by resorting to domestic legislation and other measures. In Kirin, Japanese firms such as the Fuji Paper Co., Mitsui, Okura and others that have invested a considerable amount of capital, have been subjected to persecution at the hands of the Chinese authorities, and have suffered considerable losses. All these industries have been forced to suspend operations.

Violation of the Right of Residence

The residential right in Manchuria and Mongolia was confirmed by the treaty of 1915 between Japan and China. This right of residence, based on the policy of equal opportunity, is open not only to the Japanese, but also to all other nationalities. In obtaining this right Japan aimed at the opportunity of purchasing raw materials, trading in merchandise and carrying on economic activities in Manchuria and Mongolia.

If the Japanese and other foreigners could reside and travel freely, engaging in all kinds of industrial and commercial activities in accordance with the provisions of this agreement, the economic development of Manchuria would be greatly facilitated. China, however, has placed all sorts of obstacles in the way. For example, the Governor of Mukden requires landlords who rent houses to the Japanese in the city not to renew the lease when the term of lease expires. Leases with long terms are required to be revised and the terms made no longer than two years. On account of these regulations, the number of the Japanese residing in the city of Mukden has decreased. There were 130 Japanese families in Mukden in 1927, but there are now only 23 families. Furthermore, evacuation of the Japanese was demanded in such places as Liaoning, Taonan, Nungan, Anta, Fakumen, Taolaichiao, Shihoutzu, Antung, Maoershan, etc. In some of the places mentioned above, there is not at present a single Japanese resident.

Examples of Persecutions of Koreans

It was during June, 1931, that China insisted on the removal of the dam work on the Itung River of Wampaoshan and forced the Korean farmers to sow seeds dry, but Japan insisted that as the Koreans were not accustomed to sowing seeds dry, it was impossible to follow this practice. It was also pointed out that already the seeding time had passed and that wet sowing should be allowed. This state of things gave rise to the Wampaoshan Incident. As a matter of fact, the persecution of the Koreans in Manchuria by the Chinese authorities has been notorious and intolerable. At present, though the exact number of the Koreans in Manchuria cannot be ascertained, it is estimated at more than 800,000, of which 99% is engaged in agriculture. These Koreans leased paddyfields from the Chinese land owners, but during the past few years, the Chinese authorities have prohibited the lease of land to the Koreans and merely recognized the hire contract. Thus entirely depriving the Koreans of their rights of independent farming many secret orders restricting the dwelling of the Koreans have also been issued, and during the year 1928, deportation orders were issued in more than four hundred places.

cited in Item 5. The methods

1) Prohibition of supply of raw materials in the text-books of publication of Japanese employees in China the Chinese in Japanese employ the Japanese banks and non-us

This caused directly or indirectly Chinese trade, inactivity of Japanese, the fall in price of Japanese goods, the closing of exchange dealing, Japanese commercial houses in China close. Since then, this new political relations has come to be applied. Immediately after the Tsinan incident organized under the guidance of a permanent party) as a permanent movement of local Anti-Japan Society. This Anti-Japan Society is a group of unscrupulous activities are all Headquarters. Since the advent of this situation has changed. The cooperation Japanese boycotts and sentiment be summarized as follows:

1. The Anti-Japan Society stands carries on the Anti-Japanese movement is neither a temporary movement nor feeling as in the past.

2. The organization is on a national ones which existed in the past.

3. But as a matter of fact, the interest of the people, but is a campaign, businessmen, students and irresponsible their own interests under the name of

The Problems of Unfair Freight

Although Supplement No. 1 concluded by China and Japan alike, native customs duty, coastal other duties which hinder the access to be abolished at the earliest date by the Republic. For instance, mills are made exempt from certificate called "yüntan," which Department of the National Government amount of money. But those ports mills which do not make a similar duties everywhere.

Extremely discriminating freight goods by the Chinese National Shanghai-Soochow and other Chinese and foreign products, goods having more distinct for goods, for an instance, are charged Japan, as 4th class, which is still Hats and paper products are all the national railways, that is, not but those of the interior, are rates established by the Railway Government. The Shantung Railway Japanese products, as well as on factories in China.

The Anti-Japan

The Chinese National Government permanent Anti-Japanese policy materials in the text-books of publication the purpose of continuing the Anti-Territory and the South Manchuria the independence of Korea and

Of more than 500 anti-foreign Anti-Japanese. (1) Japan's aggressive (2) Japan's methods of invading invasion of China; (4) Japanese which China should adopt toward but falsely stated. In addition to publications.

RELATIONS BETWEEN JAPAN AND CHINA

ED BY

COMMERCE AND INDUSTRY

31

How Does China Violate the Treaty Rights of Japan?

AGITATION IN BUSINESS LOCATION

Anti-Japanese Agitation

by Japan concerning the seizure of the
in November of the same year.

dent.
the boycott of Japanese goods in Man-
agitation was started in connection
between Antung and Mukden.

Chinese treaty in May, 1915, the agitation
at Hankow spreading all over China

of the Shantung problem at the Paris
Japanese movement was started all
ion Day (May 7) and continued till

Dairen.
in connection with the movement for
in April, 1920, continued till August.
China and the severance of economic
ed.

use of its origin on May 30, 1923, started
Japanese cotton mill in Shanghai, and
of foreign goods took place in many

g and Tsinan, the Tanaka ministry of
1927 to protect the Japanese nationals
his step, China conducted the boycott

protect the Japanese nationals at Tsinan
systematic Anti-Japanese organization,
d campaigns against Japanese goods

es over the right of using river water for
mpaoshan in North Manchuria in 1931.
st the Chinese residing in Korea took
anized in Shanghai and other places,
st Japan.

apanese troops, which are stationed in
ese treaties, against the outrageous
of the South Manchuria Railway on
se army has given rise to a vehement
China. The movement is purposely
inese Government party', and is not
thout resorting arms against Japan.

Against Japan

agitation as cited above in-
in, but were treated as economic
boycott and non-purchase of
being satisfied with the boycott
goods, adopted in 1923 a new
omic relations with Japan as

PROBLEMS OF CONSOLIDATING LOANS

Brief History of China's Foreign Loans

Since the Sino-Japanese War and the Boxer Rebellion, China has been incessantly subjected to internal strife and commotion, and the national finance has been extremely distressed. Naturally the raising of loans was deemed the best measure by both the central and local Governments for extricating themselves from financial difficulties. This policy was recklessly carried out, and at last the foreign loans accumulated to the huge amount of 2,000,000,000 Yuan. During the year 1923, the Loan Consolidation Committee was appointed, comprising many financial leaders, both native and foreign, and also the representatives of the Four Power Loan Syndicate, in order to effect a thoroughgoing investigation and consolidation of these loans with the officials of the Chinese Government. However, the difference between the amount of loans shown by the Chinese Government and that shown by the creditor countries was too wide and no agreement was reached in these negotiations.

Later, however, in pursuance of the Nine Power Treaty of the Washington Conference, the International Conference of Chinese Customs was convened, and it was definitely recognized that the imposition of a 2½% additional duty on the import duty was to be made and many Conferences were held by the interested countries for discussing the use of the proceeds. Consequently, during May, 1929, the appendix to the Japan-China Customs Convention was signed, which provided that 5,000,000 Yuan should annually be transferred from the above proceeds to the redemption fund, and, though the payment of the principal and interest of both domestic and foreign loans, which are secured by the customs duty, has been effected, this payment being placed under the control of the Inspector General of the Customs, the remaining foreign loans have been deplorably neglected. This is especially the case with such loans as the so-called Nishihara Loans; the national Government does not even recognize their existence, and the Ssu-tao Railway Loan and the Tao-ang Railway Loan have also been entirely neglected.

Principal Facts of Nishihara Loans

The first Nishihara Loan of Japan was contracted by the Chinese Government, its Communication Department taking the principal part during September, 1917, in order to meet pressing financial needs. This loan, which amounts to ¥20,000,000 was raised by the Bank of Communications of China through the intermediation of Mr. Kamezo Nishihara and up to September, 1918, during the short period of one year, loans accumulated to the large sum of ¥145,000,000. However, due to non-payment of both the principal and interest, the Japanese banks accepting these loans were greatly distressed. Consequently, during the fifty-first session of the Japanese Imperial Diet (1926), the law of consolidating the Nishihara Loans was passed and the Japanese Government took over the loans from the banks.

The particulars of the above loans are as follows:—

Ki-hei Forestry Mining Loan	¥ 30,000,000
War Fund Loan	¥ 20,000,000
Bank of Communications Loan	¥ 20,000,000
Two Shantung Railway Loans	¥ 20,000,000
Four Mongolia and Manchuria Railway Advances	¥ 20,000,000
Flood Relief Loan	¥ 5,000,000
Telegraph Installation	¥ 20,000,000
Kihui Railway Loan	¥ 10,000,000
Total	¥ 145,000,000

In addition to the above, there is a considerable amount of

TREATIES AND REGULATIONS GOVERNING FOREIGN ENTERPRISES IN CHINA

Japanese Rights of Industrial Enterprise

The future development of industries in China under Japanese control was anticipated by the Japanese Government and the Shimonoseki Treaty was concluded in 1895. Thus the following clause was inserted in the treaty:—

"Japanese subjects shall be free to engage in all kinds of manufacturing industries in all the open cities, towns, and ports of China, and shall be at liberty to import into China all kinds of machinery, paying only the stipulated duties thereon."

"All articles manufactured by Japanese subjects in China shall in respect of inland transit and internal taxes, duties, charges and exactions of all kinds, and also in respect of warehousing and storage facilities in the interior of China, stand upon the same footing and enjoy the same privileges and exemptions as merchandise imported by Japanese subjects into China." (Article vi, part 4)

Again, by the conclusion of the Sino-Japanese Commercial Treaty in 1896, the following provisions were agreed upon:—

"Japanese subjects may, with their families, employés, and servants, frequent, reside and carry on trade, industries and manufactures, or pursue any other lawful vocations in all the ports, cities, and towns of China, which are now, or may hereafter be, opened to foreign residence and trade. They are at liberty to proceed to or from any of the open ports with their merchandise and effects, and within the localities at those places which have already been, or may hereafter be, set apart for the use and occupation of foreigners, they are allowed to rent or purchase houses, rent or lease land, and to build churches, cemeteries, and hospitals, enjoying in all respects the same privileges and immunities as are now, or may hereafter be, granted to the subjects or citizens of the most favoured nations."

"The Japanese Government recognizes the right of the Chinese Government to tax with discretion the goods produced by Japanese nationals in China provided that the said taxes should not be different from or more than those imposed on the similar goods produced by the Chinese nationals" (Supplementary Treaty, Article iii).

Restriction of Japanese Rights of Industrial Enterprise

(A) Geographical Restrictions

Although China recognized Japanese rights of industrial administration in open ports by the Shimonoseki Treaty of 1895, Great Britain among other Powers was particularly dissatisfied with the areal limitation placed on the industrial administration rights. With the view of extending its application to all parts of China, Great Britain demanded their extension when she concluded the Anglo-Chinese Revision Treaty in 1902—known as the MacKay Treaty. The Chinese Government, still clinging to her traditional policy, did not concede to the British demand, and no change has yet been made. China expressed her intention of prohibiting foreign industrial and manufacturing undertakings in the marts opened for foreign trade, apart from open ports. In short, the marts opened for foreign trade are for commercial purposes only. There are twenty-four marts opened for foreign trade including such places as Woosung, Tsinwangtao, Santuao and Tsinan (among twenty-four, nine marts have not been as yet opened).

Within recent years, however, China set a novel example with regard to Tsingtao (Kiaochow). Due to the existence of foreign-managed industries, which had previously existed, China treated the said district as an exception and allowed those industries to remain as before.

(B) Limitation of Japanese Investments

Previous to the MacKay Treaty, any joint-capital business under Chinese and foreign management had been prohibited. But by the MacKay Treaty China recognized the right of Chinese to own shares in British companies and vice versa. The same principle was recognized regarding Japan in 1903.

According to the present Chinese Corporation Laws, the fundamental principle is that there should be no distinction with regard to the nationalities of employees in Chinese companies and of shareholders. Therefore, at first sight, it looks as if there were no limitation or restriction placed on foreign investments. But, should Chinese companies be located outside of open

EXTRATERRITORIALITY

(Consular Jurisdiction)

Historical Background of Extraterritoriality

The origin of extraterritoriality—the privilege granted to foreigners in China of being exempted from the laws of China and of enjoying the rights and privileges of their respective countries (also called Consular Jurisdiction System)—dates back to the exchange of notes between the British and Chinese delegates after the conclusion of the treaty of Nanking in 1842.

Extraterritoriality was granted for the first time by the subsequent Anglo-Chinese Supplementary Treaty concluded in 1843. Since then, the other treaty Powers have, at various times, secured the same privileges. And it is obvious that the Powers did not secure extraterritoriality by forceful compulsion.

To the foreigners residing in China, extraterritoriality is a system by which their lives and property are safeguarded, but to the Chinese, it is an encroachment on China's territorial sovereignty. The Chinese Government has therefore been demanding the abolition of extraterritoriality. In the Sino-British Treaty of 1902 and Sino-Japanese and Sino-American Treaties of 1903, it is stipulated that extraterritoriality shall be abolished upon complete legislative reform on the part of China. Again, at the Washington Conference of 1922, a resolution was adopted as to the abolition of extraterritoriality, which resulted in the meeting of the investigating committee composed of representatives of the Powers at Peking in December 1925. The result of the committee meeting reported in July of the following year was the conclusion that the time was not quite ripe for the immediate relinquishment of extraterritorial jurisdiction in view of the unsatisfactory nature of China's legislation, court and police systems.

Status of Each Power

Since the establishment of the National Government, particularly in recent years, China has been earnestly requesting the Powers to give up their extraterritorial rights.

China has succeeded in having the consular jurisdictions of Germany, Russia, and a few minor Powers removed. She induced Austria to promise abolition by the treaty of 1925. Belgium, Italy, Portugal, Denmark, and Spain realized that the time was not ripe yet in China for the removal of extraterritoriality at the Committee meeting of 1926, but the National Government induced them to accede to the following clause, effective from January 1930:—

"The citizens of either of the contracting Powers residing in the other's country shall obey the laws and jurisdictions of such country." However, due to the most favoured nation clause, this has not been put into practice yet.

Similar agreements relating to the abolition of extraterritoriality were concluded in April, 1931, between Dr. C. T. Wang, the Chinese Minister of Foreign Affairs, and the Dutch Minister and also the Norwegian Minister. But in the case of the Sino-Dutch agreement, it does not bind the Netherlands until other

FOREIGN TRADE & COASTAL TRADE

China's Foreign Trade Direct Imports (Gross)

Country	1921		1930	
	HK. Tls.	Percentage	HK. Tls.	Percentage
Japan (including Formosa)	210,359,237	22.55%	327,164,867	24.63%
U.S.A.	175,789,652	18.85%	232,405,941	17.50%
Hongkong	231,138,080	24.78%	218,369,933	16.44%
British India	35,380,635	3.79%	132,168,471	9.95%
Great Britain	149,935,615	16.07%	108,257,932	8.15%
Germany	—	—	69,105,357	5.20%
Dutch Indies	—	—	48,360,659	3.64%
French Indo-China	—	—	28,181,664	2.12%
Belgium and Luxemburg	—	—	27,456,827	2.07%
Other Countries	130,247,121	13.96%	136,760,335	10.30%
Total	932,850,340	—	1,328,231,986	—

China's Foreign Trade Direct Exports (Gross)

Country	1921		1930	
	HK. Tls.	Percentage	HK. Tls.	Percentage
Japan (including Formosa)	172,110,728	28.63%	216,555,242	24.20%
Hongkong	152,875,077	25.43%	158,018,135	17.66%
U.S.A.	69,541,816	14.89%	131,880,076	14.74%
Great Britain	30,913,956	5.14%	62,609,051	7.00%
Russia and Siberia	22,865,428	3.80%	55,413,027	6.19%
Netherlands	—	—	44,943,678	5.02%
Korea	15,097,250	2.51%	44,174,507	4.94%
France	23,945,151	3.98%	42,699,749	4.77%
Germany	—	—	23,361,413	2.61%
Turkey, Persia, Egypt, etc.	17,276,661	2.88%	22,150,223	2.48%
Singapore, Straits, etc.	19,461,388	3.24%	19,176,840	2.14%
Other Countries	57,168,082	9.50%	73,801,653	8.25%
Total	601,255,537	—	894,843,594	—

China's Trade with Japan (Including Formosa, but not Korea)

Year	Export to Japan	Import from Japan
1917	105,773,819	221,666,691
1918	163,394,092	238,658,578
1919	195,006,032	246,940,997
1920	141,927,902	229,135,866
1921	172,110,728	210,359,237
1922	159,754,351	231,428,885
1923	198,517,346	211,024,297
1924	201,175,926	234,761,863
1925	186,337,037	299,755,611
1926	211,740,869	336,909,441
1927	208,838,810	293,793,760
1928	228,602,453	319,293,439
1929	256,428,320	323,141,662
1930	216,555,242	327,164,867

Tonnage of Vessels Engaged in the Carrying Trade to and from Foreign Countries and Between the Open Ports in China

Country	1921		1930	
	Tonnage	Percentage	Tonnage	Percentage
British	42,326,445	36.93%	57,246,927	36.79%
Japanese	31,738,783	27.69%	45,630,705	29.33%
Chinese*	31,791,479	27.74%	29,199,170	18.77%
American	4,510,901	3.93%	6,490,351	4.17%
German	—	—	4,245,842	2.73%
Norwegian	—	—	4,218,277	2.71%
Dutch	—	—	3,247,082	2.15%

ernment, which has adopted a
, has been using Anti-Japanese
public schools and high schools with
Anti-Japanese movement till Japan
treaties, and returns the Kanto
Moria Railways, and acknowledges
restores Formosa.
ign chapters, more than 320 are
gressive policy towards China ;
g China ; (3) History of Japan's
power in China ; (5) The policy
s Japan ; all these are minutely
here are numerous Anti-Japanese

China ignores these fundamental principles and allows trade mark imitation without due discrimination. The registrations in accordance with the trade mark law offer no protection whatever. Many Japanese trade marks have thus been abused in China.

) and 5(D) or (E)
10, 1972
Date 12-18-75

Powers recognize it, because of the provisions of the most favoured nation clause.

Present Conditions in China

During 1926 the International Committee on the Abolition of Extraterritoriality made the following recommendations to the Chinese Government:—

(A) To complete the compilation of the following codes and to put them into actual practice.

1. Civil Code.
2. Commercial Code including the law concerning Bills, Marine Affairs, and Insurance.
3. Revised Criminal Law.
4. Banking Law.
5. Bankruptcy Law.
6. Patent Law.
7. Law concerning Land Condemnation.
8. Law concerning Notaries Public.

(B) The Chinese Government shall establish and maintain a uniform institution regarding the enactment, promulgation and abolition of laws.

(C) The Chinese Government shall enlarge the new systems of law courts, prisons, and jails with a view to abolishing the old provincial courts, prisons, and jails.

But China has not given any attention whatever to these recommendations, the only accomplishment of the Chinese Government along these lines being the promulgation of the revised criminal law and civil law in part. It is vitally important for the safety of the life and property of foreigners in China that the judicial power should be rightfully and fairly exercised. However, the prevailing condition is that the Chinese judicial officials and police officers are easily bribed to misapply the law. The military officers and civil administrators often interfere with the judicial authorities, and the independence of judicial power scarcely exists in China.

Regulations Governing the Foreigners Residing in China

Owing to the slow progress of the negotiation for abolishing extraterritoriality, China proclaimed in May, 1931, a set of regulations for governing the residence of foreigners in China. Peace and order are not properly maintained in China, and of course, no foreigners are subject to the new regulations, of which the following are the principal provisions:—

1. The term "foreigners" used in these regulations means those who enjoyed the extraterritorial right on the date of December 31 in the 18th year of the Republic of China.
2. Foreigners shall be subject to the jurisdiction of the local Chinese law courts of all grades.
3. In order to handle civil and criminal cases in which foreigners are defendants, special law courts shall be established in the local law courts of Harbin, Mukden, Tientsin, Tsingtao, Shanghai, Hankow, Hsiakao, Chungking, Minkao, Canton and Kunming and in the high law courts of adjacent districts.
4. The chief judge of the above special court shall be appointed from among the judges belonging to the respective courts.
5. When a foreigner becomes a defendant in either a civil or criminal case under jurisdiction other than the law courts provided for in Article 3, he may apply in writing for adjudication in the court concerned.
6. The special court may nominate several counsellors. The counsellors shall be appointed from among the local civil officials who are upright in conduct and are fully competent as judges with expert knowledge of law, but the rendering of counsel shall not be restricted to Chinese, and foreigners are also allowed to make application for their own counsel in writing to the foregoing special law court. However, in no case whatever will foreigners be allowed to interfere with judicial decision.
7. Restraint, arrest and domiciliary search in the case of foreigners shall be made in accordance with the law of criminal procedure. When a foreigner is arrested on the charge of violating the criminal law or other criminal regulations he shall be tried in the law court, but the hours of detention shall not exceed 24.
8. (Omitted)
9. In a civil or criminal case involving foreigners, the parties concerned are allowed to appoint an advocate either Chinese or foreign in accordance with the legal provisions, but laws and ordinances governing Chinese advocates shall be likewise applicable to the advocates.
10. Foreigners violating the police regulations shall be tried at the law court or at the police station. In the latter case, the penalty shall be a fine not exceeding 15 yuan, but the former shall not be subject to this provision. When the fine is not paid within 5 days in the case of police examination, the offender shall be detained at the rate of one yuan per day.
11. The warrant of restraint, arrest and detention shall be issued by the order of the local administration office.

Other Flags	4,251,936	3.71%	5,227,600	3.35%
Total	114,619,544		55,605,954	
* Including Junks entered and cleared at the Maritime Customs.				

Coastal Trade Right

Though nothing is mentioned about the coastal trade right of foreign vessels in the Nanking Treaty of 1842 between Great Britain and China, the Chinese Government gave implicit consent to the coastal trade of foreign vessels and their access to ports not opened to foreign trade. This policy was due to the fact that foreign vessels were considered safer than the Chinese boats.

In the Anglo-Chinese Treaty of 1858, the sailing and trading of foreign vessels between the ports not opened to foreign trade were prohibited, but it did not provide any restriction of the coastal trade, which was regarded as the foreigners' vested right. However, the abuses in connection with the taxing of goods transported were such that the Chinese Government promulgated the coasting trade law in 1861 for the first time. This was the official recognition of the right of foreign vessels to engage in coastal trade. The tax system was adjusted incidentally at the same time. But it was not until China's treaty with Denmark was concluded in 1863 that the right came to be recognized by a treaty. It has since become a general practice to have a similar provision in treaties with other countries. It will thus be seen that the coastal trade right really started from usage or custom rather than from a treaty or foreign compulsion. In a country like China, where navigation is in a primitive stage and internal strife and piracy prevail, the permission granted to foreigners to engage in coastal trade has contributed much to the safety and convenience of commerce and communication in China.

China's Attitude Toward Coastal Trade

The Chinese people seem to regard the coastal trade as a measure of economic invasion on the part of the Powers, or else regard it as one of the chief causes for the undeveloped shipping business in China. In their recent demand concerning the revision of unequal treaties, the Chinese insisted on prohibiting the coastal trade by foreign vessels. In carrying out this aim, the Communications Department of the Chinese Government directed the Shanghai Shipping Association to use Chinese vessels exclusively. It is also strictly prohibited the hoisting of foreign flags on Chinese vessels. China aims at bringing every possible pressure to bear upon the coastal trade of foreign vessels. But those vessels which China possesses at present are all of smaller and older types, and are of course inferior by far to those of Japan and Great Britain. And as to the number of vessels, no remarkable increase has been made on account of China's repeated internal troubles.

According to the statistics at the close of 1930, there were 3,220 vessels registered at the Maritime Customs as sailing between open ports and ports not opened to foreign trade in accordance with the regulations for Inland Waters Navigation. Of the above figures, 2,627 were Chinese, and 544 were foreign.

Present Condition of Coastal Trade in China

The ships engaged in trading between the open ports of China may be classified by countries as follows: Of the total, Japan represents 20 per cent in the number of ships and 27 per cent in tonnage. Japan and Great Britain combined represent more than 60 per cent as shown in the following table. (1930)

Countries	Entered		Cleared	
	Tonnage (Unit: 1,000 tons)	Number of vessels	Tonnage (Unit: 1,000 tons)	Number of vessels
Great Britain	20,172	18,932	20,453	18,971
Japan	14,203	12,013	14,594	12,238
China	12,485	22,488	12,469	23,299
U. S. A.	1,167	2,718	1,283	2,741
Norway	1,234	605	1,252	592
Germany	1,179	296	1,192	295
Netherlands	665	158	866	208
Portugal	346	996	356	1,024
France	216	305	235	315
Denmark	195	78	220	83
Italy	148	55	165	58
Sweden	70	21	61	18
Belgium	41	12	41	12
Others...	33	20	25	15
	52,154	58,697	53,212	59,869

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Lustigsm NARS, Date 12-18-75

TELEGRAM RECEIVED

rh

FROM

BERNE

Dated Dec. 21, 1931

SECRETARY OF STATE

WASHINGTON

207, December 21, noon.

See telegram 882, December 11, 3 pm, from

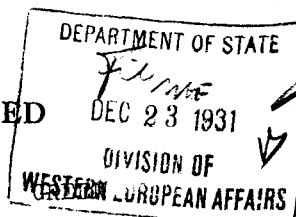
Paris.

It might be essential either for Gilbert or myself to have knowledge of the correspondence relating to Manchuria from Paris. The Embassy has prepared two sets, one for Gilbert and one for myself, but the Ambassador desires authorization to let them go. Has Department any objection?

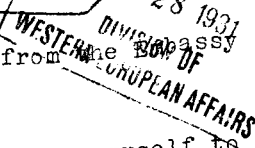
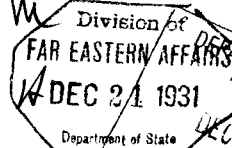
WILSON

PT

WSB



Rec'd. 9.20 am



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793.94/3265

FILED

DEC 23 1931

1 1 37

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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

1 128
PREPARING OFFICE
WILL INDICATE WHETHER

TELEGRAM SENT

1-128

TO BE TRANSMITTED
CONFIDENTIAL CODE
NONCONFIDENTIAL CODE
PLAIN

Collect
Charge Department
or

RECEIVED Department of State

Charge to
\$

1931 DEC-23- AM 1:01

Washington,

December 21, 1931.

11a

AmLegation,

Berne, Switzerland.

193.94/100

173

Your 207, December 21, noon.

Embassy at Paris is being instructed
to forward to you and to Gilbert such pertinent documents regarding the Paris meeting of the Council as may be necessary for your information. Please keep documents, upon receipt, in special strictly confidential file and instruct Gilbert to do likewise.

793.94/3265

Shinn
1004

U VC/AB

FE

DEC 23 1931
nve

RECEIVED

1931 DEC-23 AM 11:08

Enciphered by

Sent by operator M., 19

Index Bu.—No. 80.

U. S. GOVERNMENT PRINTING OFFICE: 1928 1-128

MET

PLAIN
TELEGRAM RECEIVED

Peiping via N.R.

Dated December 21, 1931

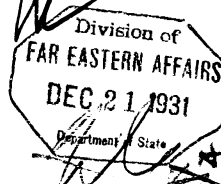
FROM

Rec'd 2:15 a.m.

Secretary of State,

Washington

COPIES SENT TO
O.N.I. AND M.I.D.



1112, December 21.

Following from Reuter, Tokyo, December twentieth:

793.94
"The question is how to rebuild Manchuria and Mongolia now that military operations except the Chinchow district are practically completed declared General Minami speaking to representatives of the press before his departure for Manchuria. He plans to return from there to Japan about January ten.

Explaining that he was going to inspect general conditions General Minami said that details of his tour would not be determined till he reached Mukden but amongst other things he intended to seek to obtain the views of the heads of the Japanese administrative organs in Manchuria with regards to the proposed unification of the administration of that territory and he also intends to study railway problems".

For the Minister,

CIB

PERKINS

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793.94/3266

FILED
DEC 21 1931

TELEGRAM RECEIVED

RH

This telegram must be closely
paraphrased before being
communicated to anyone.

NANKING

Dated Dec. 21, 1931

Rec'd. 7.42 am

SECRETARY OF STATE

WASHINGTON

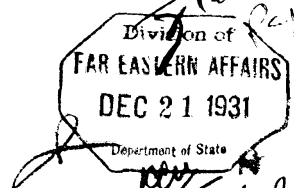
December 21, 3 pm

CONFIDENTIAL FOR THE SECRETARY

I read to Dr. Koo your statement to the press of
December 10th, especially last paragraph.

Dr. Koo sends Mr. Hsu Mo to me today to say that the
Government is extremely worried about the situation at
Chinchow in view of statements emanating daily from Mukden
indicating Japanese preparations for an attack on that
place. He points out that Japanese forces at Tientsin have
been reenforced and that additional troops have been
despatched to Shanhaikuan, thus enabling Japan to cut off
any retirement of Chinese troops from Chinchow in case of
an attack. He has asked me whether there is anything that
the American Government can do to forestall an attack on
Chinchow by Japan.

I have told Hsu Mo that I would transmit Koo's request
to the Department. I remarked that I could not believe
that the Japanese would make an attack on Chinchow in view
of League's



F/DEW

793.94/3267

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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

rh #2 of Unnumbered from Nanking dated Dec. 21, 1931

of League's resolution but he points out that pretexts
for attacks have been sought and found in the past and
may be sought now. Koo states that it is feared that if
an attack should be made on Chinchow peace and order in
all North China would be very seriously disturbed.

JOHNSON

RR

WSB

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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

1-128
PREPARING OFFICE
WILL INDICATE WHETHER

TELEGRAM SENT

1-138

TO BE TRANSMITTED
CONFIDENTIAL CODE
NONCONFIDENTIAL CODE
PLAIN

Collect
Charge Department
OR
Charge to
\$

Department of State

Washington,

December 23, 1931

1931 DEC 23 PM 8:55

RECEIVED

AMLEGATION,

PEIPING (China).

469
CONFIDENTIAL

Reference previous communications regarding Chinchow,
particularly your December 21, 3 p.m., from Nanking.

On December 22, French Ambassador informed me that
M. Briand had instructed French Ambassador in Tokyo to
make representations to Japanese Government in connection
with this situation and urge upon Japanese Government its
responsibilities and obligations under Resolution of
Council of League December 10.

On same date, I instructed American Ambassador,
Tokyo, to express to Minister for Foreign Affairs my
solicitous concern. I am instructing Tokyo to telegraph
you text of my statement.

All of this should be kept confidential.

CR
Dec 23 1931 pm

Stinson

FE:SKH/ZMF

Enciphered by

Sent by operator M., 19.....

Index Bu.—No. 50.

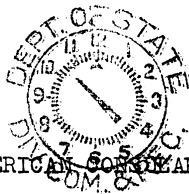
U. S. GOVERNMENT PRINTING OFFICE: 1929 1-128

793.94/3267

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

AM REC'D

No. 7932



AMERICAN CONSULAR SERVICE.

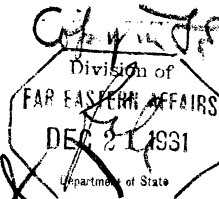
American Consulate General,
Shanghai, China, November 23, 1931.

BE
a-c/c

793.8
note
894.912

Subject: Press Union Bulletin.

THE HONORABLE
THE SECRETARY OF STATE,
WASHINGTON.



Sir:

- 1/ I have the honor to enclose a copy of a self-explanatory despatch No. 7063 of this date, with enclosure, from this Consulate General to the American Legation at Peiping, in regard to the subject above mentioned.

Respectfully yours,

Edwin S. Cunningham
Edwin S. Cunningham,
American Consul General.

Enclosure:

- 1/- Copy of Shanghai Consulate General despatch No. 7063, with enclosure.

ESC MB
800

In Quintuplicate.

F/DEW
793.94/3263

JAN 5 - 1932
FILED

No. 7063

AMERICAN CONSULAR SERVICE.

American Consulate General,
Shanghai, China, November 23, 1931.

Subject: Press Union Bulletin.

The Honorable

Nelson Trusler Johnson,
American Minister,
Peiping.

Sir:

I have the honor to advise that under date of
October 8, 1931, a mimeographed letter was circulated
1/ by the Press Union, a copy of which is enclosed,
stating that:

It is a source of profound regret that
from the outset of the unfortunate Manchurian
incident numerous rumours either totally un-
founded or grossly exaggerated, have obtained
circulation, creating thereby an extremely
disturbing atmosphere."

The circular further states that:

"It is in a sincere attempt to amelio-
rate the situation in part at least that a
new press service has been brought into
existence,"

and that the Press Union

"is a Japanese intelligence organ, sponsored
by the local Japanese Residents' Corporation,
the Japanese Chamber of Commerce and Industry,
the Japanese Amalgamated Association of
Street Unions, the Japanese Cotton Mill-
owners' Association in China, the local Jap-
anese pressmen and other representative men
and organizations of the local Japanese
community."

It

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Department of State letter, August 10, 1972
By Milton O. Lutz NARS, Date 12-18-75

-2-

It claims that

"It is out of our earnest desire that truth and facts shall not be forced to the background that the present undertaking has been inaugurated."

Though the letter was dated October 8th, it was not received at this Consulate General until November 19th, and with it is what appears to be a copy of Press Union Bulletin No. 37. The bulletin is printed and circulated in a manner similar to Reuter's and the Kuang Min News Agency reports.

Respectfully yours,

Dwain J. Cunningham,
American Consul General.

Enclosure:

1/- Copy of mimeographed letter from
Press Union, dated October 8, 1931.

ESC MB
800 MB true copy of
the original

In Duplicate.

In quintuplicate to Department.

1145

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Lutz NARS, Date 12-18-75

Enclosure No. 1 to despatch No. 7063 of Edwin S. Cunningham,
American Consul General at Shanghai, China dated November
23, 1931, on the subject: "Press Union Bulletin."

COPY

Shanghai, Oct. 3, 1931.

Dear Sir:

It is a source of profound regret that from the outset of the unfortunate Manchurian incident numerous rumours, either totally unfounded or grossly exaggerated, have obtained circulation, creating thereby an extremely disturbing atmosphere and exciting the Chinese as well as foreign communities in Shanghai, and elsewhere. It is in a sincere attempt to ameliorate the situation, in part at least, that a new press service has been brought into existence.

The Press Union, which we wish to here announce, is a Japanese intelligence organ, sponsored by the local Japanese Residents' Corporation, the Japanese Chamber of Commerce and Industry, the Japanese Amalgamated Association of Street Unions, the Japanese Cotton Mill-owners's Association in China, the local Japanese pressmen and other representative men and organizations of the local Japanese community.

Needless to say that the dissemination of correct information on every day occurrences is always important. But nowhere and at no time has it been more imperative than it is now in Shanghai, where the public seems to have temporarily lost its normal poise and good judgment and is ready to swallow whole the malicious articles without any discrimination or distorted news as gospel truth.

In this connection, however, much we may have our opinion, we have no thought of casting any uncomplimentary reflection upon any particular national group nor of drawing water into our opinion. But it is out of our earnest desire that truth and facts shall not be forced to the background that the present undertaking has been inaugurated.

It is our hope of obtaining the last and most reliable information from absolutely unchallengeable sources and furnish it to the interested leaders of the press and forum. Should the materials we thus furnish from day to day prove to be of any service to you, we feel that our modest but honest endeavours in the interest of truth and facts have been amply repaid.

Yours sincerely,

The Press Union,
c/o The Japanese Club,
69 Boone Rd. Shanghai.

Copied by MB B
Compared with NHH HN

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Hutzfsm NARS, Date 12-18-75

Enclosure No. 1 to dispatch 7463 of Edwin J. Carri (then
American Consul General at Shanghai, China) dated November
23, 1951, on the subject: "Press and a Bulletin."

100

Shanghai, Oct. 3, 1951.

Dear Sir:

It is a source of profound regret that from the
outset of the unfortunate Nanhai Island incident numerous
rumors, either totally unfounded or grossly exaggerated,
have obtained circulation, creating thereby an extremely
distressing atmosphere and exciting the Chinese as well
as foreign communities in Shanghai and elsewhere. It
is in a sincere attempt to reveal the situation,
in part at least, that a new press service has been
brought into existence.

The press which, as you are aware, is a Japanese
intelligence organ, sponsored by the local
Japanese residents' corporation, the Japanese Chamber of
Commerce and Industry, the Japanese Designated Asso-
ciation of Str of China, the Japanese Cotton Mil-
lowners' Association in China, the local Japanese press,
and other representative organizations of
the local Japanese community.

Needless to say that the dissemination of correct
information on every day occurrences is always important.
But nowhere and at no time has it been more imperative
than it is now in Shanghai, where the public seems to
have temporarily lost its normal poise and good judgment
and is ready to swallow the malicious articles
without any discrimination or distorted news as gospel truth.

In this connection, however, since we may have our
opinion, we have no thought of casting any unwarranted
reflection upon any particular national group nor of drawing
water into our opinion. But it is one of our earnest de-
sires that truth and facts shall not be forced to the back-
ground that the present undertaking has been instituted.

It is our hope of obtaining the latest and most reliable
information from absolutely unchallengeable sources and
furnish it to the interested leaders of the press and forum.
Should the materials we thus furnish from day to day prove
to be of any service to you, we feel that our modest but
honest endeavors in the latter at least, and if it has been
fully repaid.

Yours sincerely,

The Press Club,
c/o The Japanese Club,
22 Avenue 13, Shanghai.

A true copy of
the signed ori-
ginal.

Copied by EB
Compared with MB # 4

793.94/3268

DEPARTMENT OF STATE

THE UNDER SECRETARY
DIVISION OF FAR EASTERN AFFAIRS

IAN 6, 1932

December 23, 1931.

DEPARTMENT OF STATE

Despatch No. 410, Tokyo, December 5, 1931, prepared by W. T. Turner, file No. 793.94/3269.

Subject: Soviet-Japanese Relations.

Soviet officials have consistently pleaded neutrality in the present Chinese-Japanese dispute and have officially brought to the attention of the Japanese Government the false rumors invented by "interested Japanese military circles" to which the Japanese Government has replied indicating that rumors of Soviet assistance to Chinese forces were Chinese, not Japanese, inventions.

Although still watchful and suspicious of each other, Japan and Soviet Russia seem to have come to some form of understanding.

On November 14 (prior to the fall of Anganki and Tsitsihar) the Soviet Government brought to the attention of the Japanese Government its interest in the Chinese Eastern Railway, in view of the intention of the Japanese military command to cross a certain region en route to Tsitsihar.

- 2 -

Government

The Japanese/replied, referring to its non-interference in the Chinese-Soviet armed conflict of 1929, and stated that any damage to the Chinese Eastern Railway by the Japanese would be due to the carrying of Chinese troops by that railway. The Soviet Government replied, pointing out that the Chinese Eastern Railway, unlike the South Manchuria Railway with its Japanese military guards, is not under the control of Russian armed forces and could not be forced to maintain strict neutrality. Japan made no reply to that note.

In a conversation between a member of the staff of the American Embassy and the Chief of the Russian Section of the European Division of the Japanese Foreign Office, the latter stated that he had heard rumors of a Soviet-Chinese entente but that he could state with confidence that there was no basis in fact to such rumors, as Karakhan, the Assistant Commissar of Foreign Affairs, had informed a Japanese official in Moscow that "Russia could not shake hands with Nanking".

The despatch concludes by stating that tension exists between the Soviet and Japanese Governments which might be very easily fanned into a more active dispute by overt acts on either side. Both sides are sincere in wishing to avoid complications.

FE:RPB:EJL

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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75



No. 110.

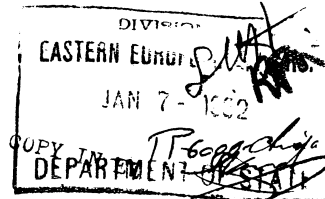
AM REC'D



EMBASSY OF THE
UNITED STATES OF AMERICA

Tokyo, December 5, 1931

DEC 13 1931



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note
761.93
761.94

F/DEW 793.94/3269

FILED

JAN 14 1932

The Honorable

The Secretary of State

Washington.

Sir:

I have the honor to present below an outline of Soviet-Japanese relations as affected by the Manchurian dispute. There has been a good deal of apprehension in Japan as to the attitude which the Soviet Government would assume in the conflict, inasmuch as historically and politically, the Soviets have no little interest in the region where much of the fighting has occurred. This apprehension seems to have given birth to a number of rumors of Soviet assistance to China.

During

-2-

During the early and middle part of November, these rumors appeared in many forms in the press of Tokyo. News despatches by Japanese correspondents from Manchuria frequently referred to evidences of Soviet interference. The Soviets were reported to be furnishing arms and supplies to Chinese troops; to be concentrating troops on the Russian border; to be violating neutrality by the utilization of the Chinese Eastern Railway to transport Chinese troops; and to be officering an international communist army which was to join General Ma's forces against the Japanese.

The military authorities in Tokyo quite openly gave out to the press a statement on the situation during the clash with General Ma, in which they made charges against the Soviets of giving active help and encouragement to the Chinese. Even the non-military authorities are reported to have taken very seriously some of the reports of Soviet activities, credit for them being given officials in Manchuria independent of the military authorities.

All these charges have been made in spite of repeated protestations by Soviet leaders of neutrality and non-interference on the part of Soviet Russia. Toward the end of October Mr. Karakhan, the Assistant Commissar of Foreign Affairs issued a denial of the "completely senseless and false inventions and rumors emanating from irresponsible quarters which are interested for some reason in spreading provocative rumors in the present situation". Again, the Soviet official viewpoint was reportedly voiced by Motolov, Chairman of the Council of Peoples Commissars, in a public address late in October, in which

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he stated: "Our policy is not to interfere in their (Japanese and Chinese) affairs and not to permit them to interfere in ours. The Moscow Government newspaper, Izvestia, in an editorial of November 4, quoted locally, accused the Japanese militarists of a policy of fabrication and fables about the Red menace in Manchuria and Soviet interference in the Sino-Japanese dispute, "hoping that this policy will justify their seizure of additional Manchurian territory". A United Press representative in Moscow is reported as quoting the Soviet Commissar of War, General Voroshilov, on November 5 to the effect that Soviet Russia has positively no intention of interfering in the Sino-Japanese conflict in Manchuria and has not made any new troop concentrations on the Russian border. Premier Molotov was again reported as stating in an address on the 14th Anniversary of the Revolution, in the presence of Stalin and other leaders, that it was the intention of the Soviet Government to follow a policy of non-interference in Manchuria. He denounced the statement that Russia was aiding the Chinese against Japan as imperialistic propaganda.

On November 14 the Foreign Commissar, Litvinov, handed to Japan's Ambassador, Mr. Hirota, a note in which the previous statement by Karakhan was recalled. He stated "The U.S.S.R. Government is obliged to note that interested Japanese military circles continue to engage in inventions, spreading them through the Japanese press, and in absolutely unfounded rumors about

Soviet

-4-

Soviet assistance to certain Chinese generals".

The Japanese reply, published a few days later, stated that " The Japanese Government has attached no credence to any rumors circulated since that declaration was made and are quite confident that their consular and diplomatic agents abroad and the Japanese military authorities have never created any such rumors.***** On the other hand, information has shown the Japanese Government that the Chinese, in order to inspire courage in their troops, have been setting afloat rumors of their receiving assistance from the Soviet Government. Such being the case, the Soviet Government *** should rather bring complaint against the Chinese authorities".

The Soviet Government replied to this note on November 20, stating that it was " gratified that the Japanese Government does not trust the rumors of violation of the principles of non-interference and of Soviet assistance to Chinese generals".

Since the publication of these notes, the Japanese press seems to have abstained from publishing rumors of Soviet interference. Perhaps it is that these notes have served to clear the atmosphere by giving assurance of non-interference on the part of Russia. Or Perhaps the press has been warned by the Japanese Government of the danger of antagonizing Soviet Russia at this juncture.

Just why the Japanese have shown this eagerness to find evidence of Soviet aid to China is a matter that is hard to determine. It might have been expected that in the present dispute the Japanese would try to gain the sympathy

-5-

sympathy of Russia, in view of their similar experiences with the Chinese, but on the contrary there has been little but mutual abuse . There always exists, of course, an intense antipathy between the two nations, emphasized at this time by the advance of the Japanese toward the Soviet so-called sphere of influence. Perhaps one reason for the Japanese attitude is that evidence of interference by Russia would be useful at Geneva, where a report that the Soviets were siding with China would swing sympathy toward the Japanese as defenders against Bolshevism.

✓ In any event, at present the flurry of stories and accusations seems to have died down, and although watchful and always suspicious of each other, Japan and Soviet Russia seem to have come to some form of understanding. A member of my staff called yesterday(4th) on the Chief of the Russian Section of the European Division of the Foreign Office, and was told that the first suspicions of Soviet activity were caused by the boastful and intransigent attitude of General Ma. Many observers believed, he stated, that only an assurance of Soviet support would have prompted Ma to defy the Japanese. However, with the route of Ma's forces, these suspicions have been disproved, and there has been no evidence of direct Soviet aid. Of course, he stated, the Soviets have sold arms and ammunition to Chinese troops, but these have been ordinary commercial transactions, quite the same as were carried on before the outbreak of hostilities. He further stated that as far as he knew, a number of Soviet troops had been concentrated near Manchuli and at other places on the Soviet border, but that no unusual number had been moved nor had the concentration been made suddenly.

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I should, at this point, go back in this account to mention the matter of the Chinese Eastern Railway which was made the subject of discussion in these notes. In the Litvinov note of November 14, above mentioned, the Foreign Commissar stated "The Soviet Government considers it timely to recall the Japanese Ambassador's assurances given to me that the interests of the U.S.S.R. would not be injured by the events in Manchuria. I have the more reason to remind you of this as information is available that the Japanese military command is preparing to cross a certain region to Tsitsihar, thus paralyzing the railroad and causing material loss to the U.S.S.R. (It is diverting to note that this statement was despatched before the Japanese military action took place ----- Japanese officials professed indignation that the Soviet Government would venture to predict a move that had no basis except in rumor).

The Japanese Government's reply despatched November 17, to this note, stated: "Every care is being taken not to cause any harm to Soviet interests in these regions (Manchuria)", but "The Heilungkiang army is gathering forces over the Chinese Eastern Railway". The note went on to say that in case of a clash, there might result some injury to Soviet interests, for which "the Chinese Eastern Railway, by permitting itself to be used by the Chinese to concentrate forces, will also be responsible in part". This note had stated in opening: "At the time of the Sino-Soviet armed conflict in 1929, the Japanese Government maintained a policy of strict non-interference and rejected the Chinese request to utilize the South Manchuria Railway to transport Chinese troops toward

-7-

toward Manchuli. The Japanese Government trusts the Soviet Government has not forgotten these circumstances".

In the Soviet Government's next note, the Foreign Commissar pointed out that the analogy drawn in the Japanese note with the 1929 dispute was not to the point, as the Chinese Eastern Railway, unlike the South Manchuria Railway with its Japanese military guards, was not under the control of Russian armed forces and could not be forced to maintain a strict neutrality. He stated further that he could not agree with the Japanese Government in regard to the responsibility of the Chinese Eastern Railway. Some rather pointed remarks were further made to the effect that "Russia has never abused the weakness of China, and did not take advantage of Russia's military superiority*** for solving problems not directly connected with the cause of the conflict", which are highly diverting but outside the scope of this discussion.

This note has not been replied to by Japan. The official of the Japanese Government above referred to stated that the Japanese Government was not drafting a reply "as there wasn't anything that needed to be said". He stated that the matter was still a hypothetical problem, as no damage has been done to the Chinese Eastern Railway by Japanese troops.

In concluding the interview with this official, the member of my staff asked him if he had heard the rumors, which have been seen from time to time in the press, of a Soviet-Chinese entente. He replied that he had heard the rumor, but he could state with confidence that there was no basis for it, ^{in fact.} He said that Karakhan had told a

Japanese

-8-

Japanese official in Moscow, at the time of the visit of the Chinese president of the Chinese Eastern Railway in Moscow, that "Russia could not shake hands with Nanking".

I have dwelt somewhat at length on the relations between the two Governments as I believe that a tension exists which might very easily be fanned into a more active dispute by overt acts on either side. I have reason to believe that both sides are sincere in wishing to avoid complications and will not willingly be led into an embroilment which would prejudice the success of their own undertakings and interests, but circumstances might at any time change the situation completely.

Respectfully yours,

For the Ambassador



Edwin L. Neville
Counselor of Embassy.

Embassy's File No.
800.- Manchuria.

WTT/SR

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS
December 22, 1931.

~~CONFIDENTIAL~~

~~SECRET~~

Note from the attached despatch from Tokyo that Ambassador Forbes has protested rather vigorously to the Japanese Government in connection with the difficulty at Mukden between the National City Bank and the Japanese authorities in Mukden.

JEF





RECD

EMBASSY OF THE
UNITED STATES OF AMERICA

Tokyo, November 30, 1931.

No. 401.

DEC 19 31



793.94
note
811.51693

F / DEW 793.94/3270

The Honorable

The Secretary of State,
Washington.

Sir:

I have the honor to refer to the Department's
793.94-2855
telegram No. 243, of November 26, 1931, in which I
was directed to call upon the Foreign Minister and
leave a written memorandum of protest in regard to
the interference by the Japanese military authori-
ties with the business of the Mukden branch of the
National City Bank.

I called upon the Vice Minister for Foreign
Affairs

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- 2 -

Affairs on November 27th, and left with him the
1/. memorandum, a copy of which I enclose.

I had a very frank conversation with Mr. Nagai, who received me on behalf of the Foreign Minister, as Baron Shidehara had informed me that he had detailed the consideration of banking matters to Mr. Nagai.

I talked pretty directly to Mr. Nagai, telling him that I had been given to understand by Baron Shidehara that the Japanese were confining their intervention in Manchurian affairs to the protection of the lives and property of Japanese citizens, and that they were not performing the usual civil functions of government, and that this interference on the part of their army in business transactions between the bank of a neutral country and a company of a neutral country was something that did not come under the head of "police protection of lives and property" but was interference with normal business and I felt it was contrary to the expressed policies of the Japanese Government. As a friend of the Japanese people, I said I hoped this interference would stop, as I think they will find it difficult to explain later, as it had the appearance of using their military occupation for the purpose of injuring economic competitors.

I told him that while I was speaking directly

- 3 -

of money owed to the National City Bank which directly concerns the financial position of an American-owned institution, and I had been requested in writing by their representative to take this matter up, I could not refrain from alluding to the fact that very much larger sums were involved in the interference by orders of the Japanese military authorities with the operation of this bank in connection with a British-owned railroad. I said I hoped they are considering the whole matter and taking into consideration the permitting of these operations to take their normal course.

Mr. Nagai informed me that he would telegraph to Mukden and would advise me when he got a reply. He later told me on Sunday, November 29, that he had got news from Mukden that payments had been allowed upon some other class of payments and which had been held up, half of which was to be paid immediately and the other half in the middle of the ensuing month (December). At the time of the present writing, December 3, I have not heard from him in response to the case in point.

I invited General Pabst to lunch with me - the first diplomat to do so in the new Embassy -, he having taken the above matter up with me several times, and I

- 3 -

of money owed to the National City Bank which directly concerns the financial position of an American-owned institution, and I had been requested in writing by their representative to take this matter up, I could not refrain from alluding to the fact that very much larger sums were involved in the interference by orders of the Japanese military authorities with the operation of this bank in connection with a British-owned railroad. I said I hoped they are considering the whole matter and taking into consideration the permitting of these operations to take their normal course.

Mr. Nagai informed me that he would telegraph to Mukden and would advise me when he got a reply. He later told me on Sunday, November 29, that he had got news from Mukden that payments had been allowed upon some other class of payments and which had been held up, half of which was to be paid immediately and the other half in the middle of the ensuing month (December). At the time of the present writing, December 3, I have not heard from him in response to the case in point.

I invited General Pabst to lunch with me - the first diplomat to do so in the new Embassy -, he having taken the above matter up with me several times, and I

- 4 -

advised him regarding the course of events, as
he had requested to be informed.

Respectfully yours,



W. Cameron Forbes,
Ambassador.

Enclosure:

1. As stated.

Embassy file No. 851.6

WCF/hln-rcr

163
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

MEMORANDUM.

Enclosure No. 1
Despatch No. 401
From American Embassy
to Mr. [illegible]

The American Ambassador presents his compliments to the Minister of Foreign Affairs, and by direction of his Government invites the Minister's attention to what appears to be interference with the conduct of normal business operations, which has been brought to the Embassy's attention by the National City Bank of New York.

The matter involves a sum of money which was owed to the National City Bank by the Dutch Company which had the contract with the Chinese Government for constructing the harbor at Hulutao, Manchuria. The Dutch Company gave the National City Bank, to satisfy this debt, a check on the Frontier Bank at Mukden where money was on deposit to the Dutch Company's credit. The Japanese military authorities have ordered the management of the Frontier Bank not to honor this check.

It is hoped that Your Excellency will see your way clear to take such action as will enable American corporations doing business in Manchuria to continue their operations without interference.

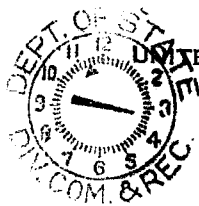
The Ambassador is also informed, through copies of correspondence between the American Consul General in Mukden and the representative of the National City Bank there, that there has been similar interference in regard to transactions of the National City Bank with the British-controlled Mukden-Peking Railroad which reach much larger amounts.

Tokyo, November 27, 1931.

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75



AM RECD

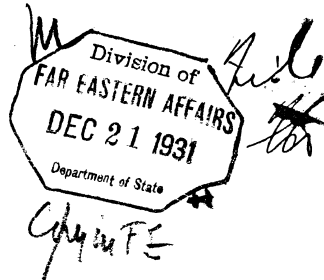


EMBASSY OF THE
UNITED STATES OF AMERICA

Tokyo, Japan, December 4, 1931.

No. 407

DEC 19 31



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not
897.00
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F/DEW 793.94/3271

The Honorable
The Secretary of State,
Washington.

Sir:

I have the honor to report that there has apparently
been a complete termination of any resentment toward the
United States created here by the garbled Associated Press
report of the Secretary's remarks to the press on November
27th regarding the situation about Chinchow and by the sub-
sequent publication of a transcript of his actual remarks
at that time. The Secretary's statement relating to an
agreement of the Minister for Foreign Affairs, the Minister
of War and the Chief of Staff that there should be no
hostile

- 2 -

hostile operations toward Chinchow threatens, however, to have domestic repercussions here of a possibly serious character.

Although criticism of the Secretary ceased within a very few days, the Minister for Foreign Affairs and the Army Chief of Staff are the mark of severe condemnation in certain quarters. Baron Shidehara is particularly abused. An official of the Foreign Office informed a member of my staff yesterday that Baron Shidehara is the object of "a terrific and most bitter bombardment from all sides", adding that "it has no effect on him or his policies". In the criticism of Baron Shidehara the Opposition Party is, of course, the leader, while certain younger officers at the General Staff Headquarters seem to be the chief antagonists of General Kanaya, the Chief of Staff.

Three charges are brought against Baron Shidehara, two of which are also directed against the Chief of Staff. By their opponents both are said to have been guilty of disclosure of a military secret, thereby contravening Article II of the Law for the Preservation of Military Secrets which reads: "One who through his office learns or possesses particulars relating to military secrets, maps, documents, et cetera, and who discloses, hands over to others, or makes them public with the knowledge that they are secret shall be subject to penal servitude." Both are alleged to have infringed the Emperor's prerogative of supreme command.* It is further declared that Baron Shidehara has been guilty of "political immorality"; that is, he is

* Article XI of the Constitution: "The Emperor has the supreme command of the Army and Navy."

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is said to have failed to inform the Premier of what he was going to tell a foreign envoy, a procedure supposed to be followed by the Minister for Foreign Affairs.

The crux of the situation seems to be that Imperial sanction had not been obtained for the troop movement before General Kanaya told Baron Shidehara that it would take place and before Baron Shidehara informed me of the matter. Everyone knows, of course, that Imperial sanction in such an instance is a matter of form and that the decision is made in reality by the advisers concerned. Technically, however, a decision is not final until sanction is obtained. It is on this technicality that the enemies of the Foreign Minister and the Chief of Staff are attempting to attain ends inimical to these two officials. The charge of violation of Article II of the Law for the Preservation of Military Secrets seems less potent of trouble, but it might bring serious embarrassment to either of them. The "political immorality" of Baron Shidehara is, I should imagine, the least serious of the three allegations. For one thing, in actual practise the Foreign Minister can scarcely keep the Premier informed of all he is going to say to representatives of foreign governments, as they call on him with great frequency, while he could easily refute this particular charge by pointing out that the Premier was informed. In my telegram No. 234 of November 24, 1931, I reported that agreement regarding hostile action toward Chinchow had been reached not only by the Chief of Staff and the Minister of War but by the Premier as well. Apparently a garble of the word "premier" eliminated mention of him in the Secretary's statement.

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An attempt to make capital out of the fact that Imperial sanction had not first been obtained may seem to a Westerner like futile sophistry until it is recalled that any act that can be interpreted as an invasion of the Emperor's prerogatives has been seized upon in the past and at times effectively as a weapon, particularly by the Opposition. Two contributory causes of the fall of the Tanaka Cabinet in 1929 were the phrase of the Kellogg pact "in the names of their respective peoples", which many Japanese insisted should have read "in the name of the Emperor" and the "Yujo" or "Gracious Message" affair, which was an incident depending on the charge that the Premier had employed the Emperor for political purposes in an effort to retain a Minister in his cabinet after the latter had submitted his resignation.

On December 2nd the Diet members of the Seiyukai held an extraordinary meeting and adopted the following resolution:

"In confidential conversations held between Baron Shidehara, Minister for Foreign Affairs, and the authorities of the United States in Tokyo, Baron Shidehara disclosed military secrets by ignoring the Emperor's prerogative and thus impeded the movements of the Japanese army. The national dignity of Japan was thereby impaired to a considerable extent. Be it resolved, therefore, that the Seiyukai shall take steps to impeach Baron Shidehara as a national traitor."

The press further reports that certain members of the Seiyukai will soon initiate legal action against Baron Shidehara on the charge of having violated the Law for the Preservation of Military Secrets.

This activity on the part of the Opposition is not as serious as it may appear to be in print. It is almost impossible to believe that an attempt at legal action could result

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result in anything but failure. I doubt if any court would entertain such an action. In the approaching session of the Diet, however, the Opposition may very possibly expend a great deal of time and energy on these charges which to a Western mind seem both trivial and capricious.

The press reports that the Koseikai, the second largest group in the House of Peers, met on December 1st and discussed "the disclosure of military secrets by Baron Shidehara, for which the Chief of Staff must also be held responsible". The press further stated that "a group of young officers at the War Department and the Headquarters of the General Staff insist upon the immediate retirement of General Kanaya from his present post." General Kanaya's term of office as Chief of Staff has now expired and he might very naturally retire were it not for the importance of the Manchurian situation. Should he retire, however, for this reason his opponents would be convinced probably that they had attained their objective. One newspaper reports that he is about to resign on the grounds of ill health.

I feel that in this despatch I should again make mention of the division of power that exists in the Japanese Government as a probable explanation for Japanese delay in reaching its final decision regarding troop withdrawal from the direction of Chinchow. It was on November 22nd that General Kanaya informed Baron Shidehara that there would be no hostile operations in that area. It was two days later that Baron Shidehara told me of this decision. It was not, however, until the 27th that Imperial sanction was

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was obtained. This delay was, I feel confident, due to the system of checks that surrounds any one of the many units of power in Japan. In reality the final decision rested with the Chief of Staff, but before he could approach the Emperor for sanction it was necessary according to Japanese practice to consult various other persons - if only, possibly, to make them feel they were not being ignored. I do not know, of course, with how many of these officials he had reached an understanding by the 22nd, with the exception of the Minister of War, as I reported. There were also the Kwantung army leaders to be placated - in case this move was actually an alteration of certain ambitious strategy. Also, if the reports of the present power of younger military officers in the headquarters of the General Staff are true - and I have little reason to doubt them - they too had to be carefully handled. There may have been bureau or section heads or other minor officials whose approval was necessary - or at least politic. The Department may recall that in the case of the American Aviators, Pangborn and Merndon, last summer, subordinate officials held up the decision of two Ministers of State for a considerable time. In the present affair, another example of this curious division of power was the violent statement issued to the press by the Chief of the Bureau of Information of the Ministry for Foreign Affairs following the receipt of the report of the Secretary's alleged statements. The statement of this comparatively minor official appeared to be the view of the Foreign Office, whereas it was no more than the view of this official. The Foreign Minister did not know of it,

I feel

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I feel sure, until I drew it to his attention. The existence of this division of power and of the elaborate system of checks on any one of its units, provides at least a partial explanation of the delay in the clarification abroad of Japan's intention respecting withdrawal from the direction of Chinchow.

Considering the distortion of the Secretary's remarks as published here, it is surprising the Japanese press remained as calm as it did. Only four editorials appeared in the reputable vernacular papers, and though some violent statements were included, on the whole the tone was comparatively mild.

The Tokyo JIJII commented on the statement on November 29th before a denial had been received and showed a disposition not to believe the report. "If the foreign telegram reporting the statement can be trusted", it said, "Japan would be amazed . . . We rather doubt the genuineness of the telegram reporting the alleged statement." The editorial exhibits throughout a moderate attitude. In one place it remarks that "the United States has hitherto shown a thorough understanding of conditions in Manchuria". It then goes on to say that "any imprudent statement on the part of a third party will badly affect the present delicate situation." The editorial concludes with the words, "The Japanese people are most anxious to know whether Mr. Stimson has really made such an imprudent statement".

The Tokyo HOCHI stated editorially on November 30th, "It is not difficult for us to conjecture that the United States Government has regarded the recent movements of Japanese troops in the direction of the Peiping-Lukden railway as serious and has adopted a policy intended to plunge Japan into

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ruinous straits through the medium of world opinion". Disclosure without mutual consent of exchanges between two countries it regards as a "trampling under foot of international faith and friendly sentiments". "The attitude of Mr. Stinson was apparently imprudent and discourteous . . . really a great insult to Japan and the Japanese. Nothing could be more disgusting than the disclosure at the moment of details of secret conversations". The paper refers twice to "the overbearing attitude of the United States" in connection with the incident.

The Tokyo CHUGAI SHOGYO of December 1st begins: "The unpleasant affair between Japan and America caused by the alleged statement of Mr. Stinson is now over, following his official denial." It goes on to say, however, "our regret is that there seems to be something in the so-called misrepresented remarks of Mr. Stinson that gives a silent but eloquent confession of what might be regarded as the real sentiment of the United States Government regarding Japan's attitude toward the Manchurian affair. Such sentiment seems to be anything but favorable to Japan". It concludes with the statement: "we are highly satisfied and pleased with the settlement of the unpleasant affair between Japan and the United States, but we shall hereafter watch what the United States will do in connection with the Sino-Japanese conflict".

The Tokyo NICHII NICHII of the same day regards the incident as settled by the Secretary's explanation and feels that his remarks were undoubtedly exaggerated. As in the editorial of the CHUGAI SHOGYO, the NICHII NICHII devotes a considerable part of its editorial to opposing interference in the Manchurian affair by a third power. In discussing
the

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the revelation of military secrets, it terms the disclosure as "disgraceful" and goes on to express wonder at the inquiry of the United States regarding Japanese troop movements toward Chinchow and dissatisfaction with the attitude of the United States in this regard.

- 1/,2/,3/, Copies in translation of these four editorials are
4/. transmitted with this despatch .

Respectfully yours,

For the Ambassador:

Edwin L. Neville

Edwin L. Neville

Counselor of Embassy.

Enclosures:

- 1 - Copy in translation of editorial of the JIJI.
- 2 - Copy in translation of editorial of the HOCHI.
- 3 - Copy in translation of editorial of the CHUGAI SHOSYO.
- 4 - Copy in translation of editorial of the NICHU NICHU.

Embassy' File No. 800.-Manchuria

LES/AM

Translation.

Mr. Stimson and a Press Telegram.

(Tokyo CHUGAI SHOGYO, December 1, 1931.)

The unpleasant affair between Japan and America caused by the alleged statement of Mr. Stimson is now over, following his official denial of the allegation. It has now transpired that the Associated Press telegram was exaggerated. On the part of the Japanese Government, it was decided to drop the matter entirely.

Our regret is that there seems to be something in the so-called misrepresented remarks of Mr. Stimson that gives a silent but eloquent confession to what might be regarded as the real sentiment of the United States Government regarding Japan's attitude on the Manchurian affair. Such sentiment seems to be anything but favorable to Japan. There are some among the Japanese people who suspect that the real American sentiment which had been concealed since the beginning of the Manchurian incident found vent in Mr. Stimson's veiled remarks when the situation in the direction of Chinchow became threatening. Judging from the manner in which Baron Shidehara has hitherto handled foreign affairs, it is more than probable that Baron Shidehara has given the American diplomatic authorities a pledge that Japan will not attack Chinchow.

Almost simultaneously with Mr. Stimson's remarks, Japanese troops withdrew from the direction of Chinchow. Naturally such a coincidence caused the Japanese people to entertain some doubt as to the existence of special relations

- 2 -

tions between the diplomatic authorities of Japan and the United States. The withdrawal of Japanese troops from the direction of Chinchow was wholly due to the fact that the situation at Tientsin and in its neighborhood has improved and that China gave assurance of withdrawal of her troops from Chinchow to points inside the Great Wall. Latest information indicates, however, that the situation at Chinchow and Tientsin is as threatening as before. Under the circumstances, the doubt of the Japanese people still remains a doubt and is not yet clarified.

Regarding the Manchurian incident, Japan should reject flatly undue interference from a third party in the carrying on of her military operations in self-defence. Such an interference is a national disgrace to Japan. We are highly satisfied and pleased with the settlement of the unpleasant affair between Japan and the United States of America. But we shall hereafter watch what the United States of America will do in connection with the Sino-Japanese conflict.

Translation.

The Overbearing Attitude of the United States
of America.

(Tokyo KOCHI, November 30, 1931.)

Mr. Stimson, Secretary of State, on November 27th disclosed the fact that Baron Shidehara, Minister for Foreign Affairs, has given a pledge to the United States Government that Japan will refrain from military operations in the direction of Chinchow. It is not difficult for us to conjecture that the United States Government has regarded the recent movements of Japanese troops in the direction of the Peiping-Lukden railway as serious and adopted a policy intended to plunge Japan into ruinous straits through the medium of world opinion. With the exception of cases in which two countries are actually engaged in hostilities, no country is entitled to disclose contents of official documents exchanged with another country without mutual consent. Any country that has disregarded this international ruling may well be regarded as having trampled under foot international faith and friendly sentiments. If a country found it unavoidable to disclose such contents, it should first obtain the consent of the other country concerned in accordance with international usage. The attitude of Mr. Stimson who has disclosed some details of secret conversations between diplomatic representatives of the United States and Japan was apparently imprudent and discourteous. We hold that the imprudent action of Mr. Stimson was really a great insult to Japan

and

- 2 -

and the Japanese. If Mr. Stimson had acted as above indicated after the termination of the present Sino-Japanese conflict, that would be another question. But the imprudent action of Mr. Stimson was committed in the midst of deliberations at Paris where leaders of signatory Powers of the League of Nations are now assembled for the express purpose of settling the Sino-Japanese conflict over Manchuria and Mongolia. Viewed in this light, Mr. Stimson's action cannot but be regarded as being imprudent and discourteous in the extreme.

If Japanese troops insist upon attacking Chinchow, the discourteous attitude of the United States Government might be discounted by Japan. At present, however, Japanese troops are operating for the realization of two objects, one of which is the sweeping away of lawless Chinese troops and bandits who are menacing Japan's rights and interests in Manchuria and Mongolia and the other the preparation for self-defense against a probable attack to be launched by Chang Hsueh-liang's troops now stationed at Chinchow and in neighboring districts. Upon receipt of information from Paris indicating that M. Briand proposes establishing a neutral zone in the direction of Chinchow, the Japanese Government at once forwarded a reply accepting the proposal in principle. The lawless Chinese troops and bandits in the direction of the Peiping-Mukden Railway are now fast disappearing, due to the sweeping operations of Japanese troops. The Nanking Government, too, gave consent to the above proposal, although its true motives remain to be confirmed. The Japanese troops on the Peiping-Mukden railway, in compliance with orders from the commander of the united

- 3 -

united Japanese forces in Manchuria, have withdrawn to points east of the Liao River since the morning of November 28th. The Japanese troops are no longer facing the Chinese forces in the direction of Chinchow. By this movement, Japan is showing an attitude of avoiding an armed clash with China as far as possible. At this moment, the details of the secret conversations between the Governments of the two Powers were disclosed at Washington. Nothing can be more disgusting than this.

Perhaps the United States Government may contend that the above blunder was due to the fact that the disclosure by Mr. Stimson was made before the Government received information of the withdrawal of Japanese troops from the Reiping-Lukden railway zone. Be that as it may, the overbearing attitude shown by the United States Government without ascertaining the actual movements of Japanese troops cannot but be regarded as a serious blunder, no matter what excuse may be made. Newspaper information indicating that Mr. Stimson made a statement calumniating the Japanese Government and military authorities has been indorsed by his subsequent explanations. There is, therefore, no longer any doubt that Mr. Stimson has actually slandered Japan.

Regarding the present Manchurian incident, the Chinese Government at Nanking is adopting a policy to defeat Japan through intervention by a third party. Unfortunately, the Council of the League of Nations has fallen a victim to this policy. The overbearing attitude of the United States Government which was disclosed by Mr. Stimson's utterances

may

- 4 -

may encourage China to adopt a more strong and slanderous policy toward Japan. If the United States Government has a conscience from an international viewpoint it should take appropriate measures so as to satisfy Japan and the Japanese at this moment. For the sake of the future, the United States Government should place full confidence in Japan's fair attitude and refrain from any sort of intervention.

Translation.

Statement of Mr. Stimson.

(Tokyo JIJI, November 29, 1931)

In view of the fact that on November 26th Ambassador Yoshizawa, acting under instructions from Tokyo, informed M. Briand that Japan is withdrawing her troops from the direction of Chinchow, as well as accepting a proposal to create a neutral zone in that direction, there is no longer any doubt that Japan has no intention whatever of attacking Chinchow. It appears that exaggerated information was recently circulated indicating that Japan is going to attack Chinchow in connection with the outbreak of the armed conflict in Tientsin and its neighborhood. If a third party, influenced by such information, should jump at a hasty conclusion that Japan is so doing, it is not impossible that the world will cast a suspicious eye upon Japan's military operations in Manchuria which are nothing but a self-defensive measure. Nor is this all. The atmosphere in the League of Nations chamber will also be affected to a serious extent. Japan cannot tolerate the issue of such a situation.

In a press interview on November 27th, Mr. Stimson is reported to have made a bold statement that betrays Japan's pledge not to attack Chinchow. If the foreign telegram reporting the above fact can be trusted, Japan would be amazed in the extreme. Considering the fact that the United States of America has played the part of a
mere

-2-

mere on-looker regarding the present Manchurian incident from the outset, nothing can be more surprising and astounding to us than such a sudden change of mind on her part.

We are at a loss to understand on what basis the United States Government thought that a Japanese force is going to attack Chinchow. The fact is that a detachment from the Japanese main force has started operations against bandits on the Peking-Mukden railway. The strength of the Japanese forces in Manchuria is quite limited. Those Japanese detachments which have participated in the recent battle at Angangchi are now withdrawing from Tsitsihar. Suffering from exhaustion and frost bite, the Japanese forces have no such intention as to assume an offensive against Chinchow, nor is it practically possible for the Japanese forces to do so at the present time. Those who know the real conditions in that direction will not entertain even the least doubt that it is out of the question for the Japanese forces to do so. Notwithstanding this fact, Mr. Stimson made a public statement that he is watching the actions of the Japanese Government with a doubtful eye. We wonder why Mr. Stimson has disclosed some details of negotiations held confidentially between the Government of Japan and the United States, and why he calumniated Japan by using extremely violent words. It is highly regrettable that we should hear such harsh words from a Power which is on friendly terms with Japan. We rather doubt the genuineness of the foreign telegram reporting the alleged statement. Perhaps Mr. Stimson made such an imprudent statement on the basis of exaggerated information simply because he does not fully understand the

real

-5-

real conditions in Manchuria and because he is not in receipt of genuine information. At all events, we greatly regret the present unpleasant affair from the viewpoint of the existing friendly relations between the two countries.

If Mr. Stimson had delayed by one day the publication of his statement, he would have understood the actual movements of the Japanese forces in the direction of Chinchow. As a matter of course, the Japanese forces will not start operations against Chinchow. For the purpose of facilitating the establishment of a neutral zone between Chinchow and Shanghaikwan, the Japanese detachments which started operations against bandits on the Peking-Mukden railway were ordered to retire to districts east of the Liao River. In fact, the situation in that direction has somewhat improved. If China should cooperate with Japan, for the creation of the above-mentioned neutral zone instead of assuming a challenging attitude against Japan, it might have been possible to reach a happy understanding between the two countries. Among the Powers of the world, the United States of America has hitherto shown an attitude of understanding thoroughly conditions in Manchuria and she is well convinced that China, which lacks capacity to control her people, is seeking the help of a third party by means of propaganda and resorting to a policy to suppress barbarians through the medium of other barbarians.

In view of all these things, any imprudent statement on the part of a third party will badly affect the present delicate situation. Everyone should fully realize this fact. At the time of the Russo-Chinese armed conflict last year, Mr. Stimson issued a warning to Russia in consonance

-4-

consonance with the War Outlawry Treaty but this warning was rejected by Russia. Regarding the issue of the present unfortunate incident in the Far East, we greatly appreciate the attitude of the United States of America which, in common with the rest of the world, is watching the development of the incident with great concern. The Manchurian incident is a question of life or death to Japan and a third party must not make any kind of interference on the basis of incorrect information and scanty materials. Even though Mr. Stimson's statement was made at a private interview, we greatly regret for the sake of the United States and Americans that the statement was apparently imprudent. The Japanese people are most anxious to know whether Mr. Stimson has really made such an imprudent statement.

....

Translation.

Mr. Stimson and a Press Telegram.

(Tokyo NICHU NICHU, December 1, 1931.)

The sensational trouble created by the American Associated Press telegram reporting Mr. Stimson's remarks about the Manchurian incident has now brought to a settlement through an explanatory vindication of the American Secretary of State and by the publication of statements of the United States Embassy in Tokyo. Undoubtedly the above remarks were exaggerated by some member of the Associated Press. At the time the above telegram was received in Tokyo, Japanese troops were just withdrawing from the direction of Chinchow in compliance with orders from the commander of Japanese forces in Manchuria. It was, therefore, but natural that a great sensation was caused among the Japanese people in general. With the settlement of the trouble, the Japanese Government's face has been saved.

A reflection over the trouble reveals that various countries are sharply watching Japan's activities in Manchuria. Besides, the League of Nations, the United States of America is particularly watching Japanese activities with serious concern. The attention of the Powers on the Manchurian incident may be due to their interest or curiosity, but in the case of the League of Nations we see that it is in duty bound to deal with the issue of an armed conflict in the West and the East alike. In the case of the United States, it appears that she is concentrating her whole strength upon the

main-

- 2 -

maintenance of the Nine-Power Treaty. Viewed from a theoretical standpoint, the great concern manifested by the League of Nations and by the United States of America over the Japanese activities in Manchuria is only proper.

Japan need not, however, be restricted in the least measure by a third party in her justifiable action of self-defence, however great the concern and interest of the third party may be in regard to Japanese activities. This is why Japan is so firm and resolute in her justifiable stand regarding the Manchurian incident taken from the outset. The situation at present is such that Japan's attitude is now beginning to be appreciated by the Powers, as is clear from the development of discussions by the Council of the League of Nations. It is also clear that the United States of America is now maintaining a calm attitude from an international standpoint. That Japan is now maintaining an attitude as above indicated is attributable more to the Japanese people's determination to uphold Japan's own justifiable cause at all costs than to the mere fact that Japan's position assumed so far is just and proper. To speak more plainly, where there is no might or strength neither justice nor uprightness can be maintained. In handling international affairs, both might and reason are necessary.

In dealing with the present Manchurian incident, it is also necessary for Japan to proceed with reason and determination. This policy may well be adopted by Japan toward the League of Nations and the United States of America. Judging from the facts revealed by the Associated Press telegram, the Japanese military authorities are said to

be

- 3 -

be under the impression that the assertion made by Baron Shidehara, Minister for Foreign Affairs, to American Ambassador Forbes as to Japan's intention not to advance upon Chinchow means the revelation of military secrets. Nothing can be more disgraceful to Japan than the fact that there exists a circumstance that causes a third party to inquire with regard to Japan's military operations which are based on legitimate rights. It is a wonder what has induced the United States of America to make such an inquiry. Perhaps the United States of America did so out of friendly sentiments, but even if this were really the case, the United States of America might be said to have gone too far. There was no necessity for Baron Shidehara to disclose military secrets. We are dissatisfied more with the attitude of the United States Government than with the disclosure by Baron Shidehara. We understand that confidential conversation was carried on by the Japanese Foreign Office and the American Department of State regarding the Manchurian incident. Unless we learn the full details of the conversation it is very difficult for us to form any judgment on the mere statements made by Baron Shidehara only. Judging from Baron Shidehara's statements only, we hold that there is no necessity for him to disclose secrets because Japan is engaged in military operations for self-defence. We emphatically contend that Japan is firmly determined to reject any intervention from a third party in proceeding along the right course. If the withdrawal of Japanese troops from the direction of Chinchow was effected simply for military reasons, that was rather fortunate from Japan's standpoint.

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

REP

FROM

GRAY

COPIES SENT TO
O.N.I. AND M.I.D.

Peiping via N. R.

Dated December 21, 1931

Rec'd 11:05 a. m.

Secretary of State,

Washington.

PRIORITY.

1114, December 21, 9 p. m.

Following from Military Attache at Chinchow:

"With British and French Military Attaches had interview with General Honjo, his headquarters, Mukden, December 20th. He explained in general the military situation and laid great emphasis on the increasing seriousness of activities of irregular troops and bandits who he states are supplied and encouraged by the Young Marshal through Chinchow. He states plans are being prepared to clean up bandit situation. He would not indicate when he intended to attack Chinchow but hoped the Government and troops in that vicinity would withdraw inside the Wall, that so long as ~~The~~ Government remains in Chinchow this fact would encourage Chinese elements to defy Japanese authorities and continue to be a menace to peace and safety of Japanese life and property in Manchuria, therefore it is necessary that the

Chinchow

F/DEW

793.94/3272

793.94



REP

2- #1114, from Peiping, Dec.21,9 p.m.

Chinchow area be cleared. It was impossible to obtain definite information of Japanese movement but one gets the impression that some decisive action will be taken to clear up the present critical situation. Japanese bridge-head west of Liangyueh River secured by garrison at Chuliuho and Hsinmin, strength 300 strongly intrenched. Area between Hsinmin and Tahushan, no man's land, controlled by irregular troops and bandits. No evidence of unusual activities of Chinese regular troops. There is undoubted increased activity of bandits.

Repeat to War Department."

Repeated to Nanking.

For the Minister

PERKINS

KLP

CSB

1188

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

1-138
PREPARING OFFICE
WILL INDICATE WHETHER
Collect
Charge Department
OR
Charge to
\$

TELEGRAM SENT *Gray*

1-138

TO BE TRANSMITTED
CONFIDENTIAL CODE
NONCONFIDENTIAL CODE
PLAIN

Department of State

Washington,

December 22, 1931.

AMERICAN CONSUL

GENEVA (SWITZERLAND)

CONFIDENTIAL FOR GILBERT.

One. Under date December 21 the American Consul General at Mukden telegraphs that Japanese headquarters report that on that morning the first railway battalion was sent from Ssupingkai to clear out seven thousand bandits in the Changwu-Faku region.

Two. Under date December 21 the American Legation at Peiping telegraphs a report from Military Attache Margetts at Chinchow as follows:

QUOTE With British and French Military Attaches had interview with General Honjo, his headquarters, Mukden, December 20th. He explained in general the military situation and laid great emphasis on the increasing seriousness of activities of irregular troops and bandits who he states are supplied and encouraged by the Young Marshal through Chinchow.

Enciphered by

Sent by operator M., 19.....

Index Bu.—No. 50.

U. S. GOVERNMENT PRINTING OFFICE: 1928 1-138

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1932-1/3272 137

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1932-1/3272

1181
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

1-128
PREPARING OFFICE
WILL INDICATE WHETHER

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Charge Department
OR

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TELEGRAM SENT

1-138
TO BE TRANSMITTED
CONFIDENTIAL CODE
NONCONFIDENTIAL CODE
PLAIN

Department of State

Washington,

- 2 -

He states plans are being prepared to clean up bandit situation. He would not indicate when he intended to attack Chinchow but hoped the Government and troops in that vicinity would withdraw inside the Wall, that so long as the Government remains in Chinchow this fact would encourage Chinese elements to defy Japanese authorities and continue to be a menace to peace and safety of Japanese life and property in Manchuria. Therefore it is necessary that the Chinchow area be cleared. It was impossible to obtain definite information of Japanese movement but one gets the impression that some decisive action will be taken to clear up the present critical situation. Japanese bridgehead west of Liangyueh River secured by garrison at Chuliho and Hsinmin, strength 300, strongly intrenched. Area between Hsinmin and Tahushan, no man's land, controlled by irregular troops and bandits. No evidence of unusual activities of Chinese regular troops. There is undoubted increased activity of bandits. UNQUOTE

Three. Inform Drummond, confidential as to source.

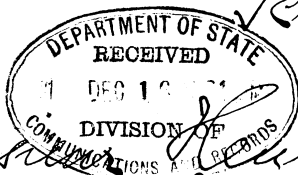
Enciphered by _____ FE:MMH:AT

Sent by operator _____ M., _____, 19 _____

Index Bu.—No. 60.

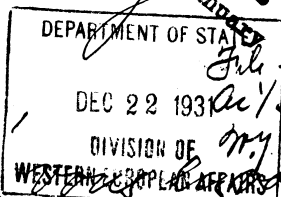
U. S. GOVERNMENT PRINTING OFFICE: 1968 1-128

Oslo, le 28 novembre 1931,
Schultz gate 12. FR



Monsieur Henry Simson
Ministre des Affaires Étrangères
à Washington

99394



F/DEM

793.94/3273

Monsieur le Ministre,
J'ai l'honneur de vous adresser
ci-joint le texte d'une conférence
que j'ai donnée à l'Institut
Nobel à Oslo, au mois d'avril
1930, sur le thème: Genève
et le Sacke Kellogg.
J'ai proposé aux États
Unis et à la Société des Na-
tions de créer une "Alliance
mondiale économique et fi-
nancière contre tout peuple
agresseur".
Le texte de ma conférence
a également été envoyé au

Secrétariat de la Société des Na-
tions. J'ai aussi remis person-
nellement ce texte à Monsieur
Kellogg quand il vint à Oslo
recevoir le Prix Nobel. Mon-
sieur Kellogg me promit de l'étu-
dier et de m'écrire à ce sujet.
Mais son travail l'a probab-
lement empêché de s'en oc-
cuper jusqu'ici. Je vous prie, Monsieur le
ministre, de bien vouloir être
assez aimable pour lire cette
conférence. L'affaire sino-japo-
naise donnant de grandes in-
quiétudes, non seulement à
l'heure actuelle, mais aussi
pour l'avenir, j'ai pensé que
vous vous intéresseriez volon-
tiers à toute proposition série-
use visant à élever une
barrière contre le terrible fléau
de la guerre.

Monsieur le Ministre, L'assurance
de ma plus haute considéra-
tion.

Ernests Wiell
Ancien vice-consul de Norvège

III

Incluse -
gouverneur et le Doute de Hellog
Enveloppe att

II

J'ai entretenu de mon idée beaucoup de personnalités de la diplomatie, de la finance de la presse et de l'industrie de différents pays et elles ont toutes témoigné un vif intérêt pour sa réalisation.

Le Japon aurait-il osé entrer en guerre contre la Chine ~~si~~ s'il avait eu la conviction que l'univers tout entier se-
rait prêt à lui barrer la route par un blocus insupportable?

- Vous voudrez bien trouver ci-joint un interview dont j'ai été objet, qui a paru dans le "Dagbladet" à Oslo, à la veille de ma conférence ainsi qu'un compte-rendu de cette dernière.

En m'excusant de je vous dérange, je vous prie d'après,

II

J'ai entretenu de mon idée beaucoup de personnalités de la diplomatie, de la finance, de la presse et de l'industrie de différents pays et elles ont toutes témoigné un vif intérêt pour sa réalisation.

Le Japon aurait-il osé entrer en guerre contre la Chine ~~si~~ s'il avait eu la conviction que l'univers tout entier se-
rait prêt à lui barrer la route par un blocus impitoyable?

- Vous voudrez bien trouver ci-joint un interview dont j'ai été objet, qui a paru dans le "Dagbladet" à Oslo, à la veille de ma conférence, ainsi qu'un compte-rendu de cette dernière.

En m'excusant de je vous dérange, je vous prie d'après,

Monsieur le ministre, L'assurance
de ma plus haute considéra-
tion.

Ernests Wiell
Ancien vice-consul de Norvège

III

Encluse -

quatre et le Poste de Hellog

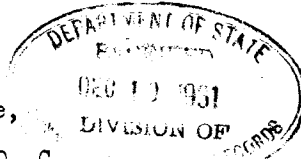
Enveloppe att

Translation.

No. 12, Schultzgate Oslo, November 28, 1931.

Mr. Henry Stimson,

Secretary of State,
Washington, D. C.



Mr. Secretary:

I have the honor to enclose you herewith the text of a lecture which I delivered before the Nobel institute at Oslo in April, 1930, on the theme: "Geneva and the Kellogg Pact."

I proposed to the United States and to the League of Nations to create a "World Economic and Financial Alliance against any aggressive Nation."

The text of my lecture was likewise sent to the Secretariat of the League of Nations. I also personally delivered this text to Mr. Kellogg when he came to Oslo to receive the Nobel Prize. Mr. Kellogg promised me to study it and to write to me on the subject. However, his work has probably prevented him from taking the matter up as yet.

I beg you, Mr. Secretary, to be so kind as to read this lecture. As the Chinese-Japanese affair is causing great anxiety not only for the present but also with regard to the future, I thought you might be glad to interest yourself in any proposal looking toward the erection of a barrier against the terrible scourge of

war

- 2 -

war.

I have spoken of my idea to many personages connected with diplomacy, finance, the press, and the industry of different countries and they have all shown a keen interest in its realization.

Would Japan have ventured to go to war against China had she been convinced that the entire world would be ready to shut her off by means of a pitiless blockade?

You will find enclosed herewith an interview with me appearing in the Oslo "Dagbladet" on the eve of my lecture, as well as an account of the latter.

With my apologies for having troubled you, I beg to remain, etc.

TRUELS WIEL,

Former Vice Consul of Norway.

Tr-WS

C O N F E R E N C E

tenue à l'Institut Nobel le 10 Avril 1930

GENÈVE ET LE PACTE DE KILLOG.

La guerre ne peut pas donner le bonheur aux hommes. Elle sème sur sa route tant de ruines et d'horreurs que mêmes les peuplades primitives et barbares l'ont reconnue comme un des pires fléaux inventé par une puissance invisible pour la punition de leurs crimes.

L'âge heureux, - l'âge d'or -, a fleuri dans l'histoire des nations, alors que celles-ci étaient gouvernées par des chefs sages et pacifiques. Il n'est donc pas étonnant que les idéalistes se soient constamment préoccupés des moyens de donner la paix au monde.

Jamais la recherche de la paix n'a été plus ardente, ni plus générale, qu'à l'époque actuelle, commencée il y a dix ans. Ce sera la gloire de notre temps d'avoir compris que nous ne pouvons viser à un but plus noble, ni faire une œuvre plus méritoire, qu'en dirigeant nos efforts collectifs

- 2 -

vers la réconciliation des peuples.

Sans doute le secret d'abolir la guerre n'est pas encore trouvé, mais il est réconfortant de constater que les idées belliqueuses rencontrent chaque jour plus de défaveur : le moment est proche où un peuple disposera pour défendre ses droits de ressources plus dignes que les armes.

Au sortir d'une guerre, - la plus désastreuse qui fut jamais -, les hommes éminents et sincères ont répondu à l'appel désespéré des peuples. Ils ont fondé successivement la Société des Nations, les Accords de Locarno et le Pacte de Kellog, qui sont les grandes étapes vers la concorde universelle.

La formation de la Société des Nations a marqué une avance indubitable dans les idées pacifiques. Les 47 signatures du Protocole de Genève montrent bien clairement que les nations désirent la paix. La Société des Nations est jeune encore. Mais elle a déjà rendu à l'humanité maints services de valeur réelle. Oeuvre de paix, qui veut non seulement créer la bonne entente entre les peuples, mais qui les dirige vers la compréhension les uns des autres, elle s'impose au respect de tous.

Les accords de Locarno, sur la valeur desquels nous avons encore le droit de nous montrer sceptiques, ont eu cependant, eux aussi, une influence heureuse sur les esprits et rendu l'atmosphère politique plus respirable.

Le Pacte de Kellog mérite d'être considéré comme un des plus intéressants apports dans le travail pour la paix. Non seulement il notifie la ferme volonté des peuples de renoncer à la guerre, mais, - point dont nous ne pouvons assez souligner l'importance -, il réveille en nous l'espoir - plu-

- 3 -

sieurs fois caressé et-déçu - que l'Amérique est disposée à
seconder l'Europe dans sa grande oeuvre humanitaire.

Il est vrai que ce traité n'est pas complet
et présente ce côté faible qu'il paraît s'adresser à une humanité
devenue tout à coup d'une moralité parfaite. Monsieur Briand qui,
il y a 5 ans à peine, faisait ressortir la nécessité des sanc-
tions militaires du Protocole de Genève, proclame aujourd'hui
que les peuples sont si pleins de morale qu'une simple condam-
nation de la guerre suffit pour les en détourner. Sans suivre
sur ce point le Ministre des Affaires Etrangères français, imbu,
chacun le sait, d'un seul désir : donner la paix au monde, re-
connaissons que son enthousiasme pour la participation améri-
caine est justifié : cet événement est appelé à avoir les consé-
quences les meilleures pour la paix, le règlement de celle-ci
exigeant avant tout une collaboration universelle.

J'ai dans un appel à l'Amérique publié dans
la Nouvelle Revue de Paris du 1^{er} Décembre 1926, soutenu que la
Ligue des Nations ne peut mettre une barrière contre la guerre
aussi longtemps que les Etats-Unis resteront en dehors de cette
Société.

Il est à remarquer que le peuple américain
pratique et matérialiste avant tout, a conservé de son origine
anglo-saxonne un fond d'idéalisme qui se manifeste à certaines
occasions et l'entraîne à s'éprendre des idées généreuses et
des belles actions. Il a de plus le sentiment de l'honneur et
du devoir. C'est ainsi que jugeant la cause des alliés juste,
il est venu se battre à ses côtés, sans aucun but d'intérêt.

- 4 -

Plus tard, il a applaudi aux démarches pacifiques du Président Wilson et à la fondation de la S.D.N. Mais après début prometteur, il a coupé court à toute collaboration politique avec l'Europe. L'homme d'affaires a repris le dessus, et ne voulant pas être entraîné vers de nouvelles complications avec l'étranger, l'Amérique a refusé d'entrer dans la Ligue des Nations.

Cependant quelques convaincus tenaient bons et persévéraient dans leurs efforts pour aider l'Europe. Kellog est un de ces hommes, et si aujourd'hui pour la troisième fois l'Amérique semble s'intéresser de nouveau aux autres peuples, nous le devons à Kellog et au traité qui porte son nom.

L'Amérique vient d'établir un trait d'union non pas entre Washington et Genève, mais entre Washington et Paris, ce qui revient au même. L'Amérique s'est rangée à côté des Etats qui sont membres de la Ligue; avec eux elle condamne la guerre d'agression. Par ce geste, l'Amérique s'est solidarisée avec la S.D.N. dans la condamnation de la guerre : l'appui moral qu'elle apporte ainsi est inestimable. Sa collaboration avec l'Europe et le monde entier pour le maintien de la paix est dès à présent assurée. C'est ce qui fait ^{déjà} la valeur du Pacte de Kellog.

Le Pacte de Kellog a ses partisans et ses détracteurs. Si les premiers ont une confiance illimitée en son efficacité sous sa forme actuelle, (qui à mon avis est incomplète), les seconds, par contre, accusent une tendance trop forte à réduire à zéro la valeur de ce document.

Je relève ici quelques-unes des critiques faites contre le Pacte.

- 5 -

Le rédacteur politique extérieur de l'Aftenposten (Oslo) l'a caractérisé en termes suivants :

"En dehors des jolis mots employés au moment solennel à Paris le Pacte de Kellog n'aboutit à rien. Mr. Kellog peut garder en souvenir de son tour d'Europe, la plume d'or de paix qui lui a été offerte. Il n'est pas certain d'assister à d'autres résultats."

Doit-on ironiser ainsi sans raison plausible avant qu'un traité signé par tant de nations ait eu le temps de prouver son utilité ou d'avoir fait faillite ?

Autre critique :

Un journal anglais, le "Daily Express" écrivait au lendemain de la signature du Pacte : "Le Protocole de Genève et le Pacte de Kellog ne peuvent aller ensemble. L'un des deux doit disparaître."

Il est certain que la solidarité américaine ne va pas encore plus loin que la condamnation de la guerre d'agression; car, tandis que d'après le Protocole de Genève, 47 nations s'engagent à prendre les armes contre l'agresseur éventuel, l'Amérique couverte par le Pacte de Kellog, peut rester étrangère au conflit.

Il est même curieux de constater que les signataires du Protocole de Genève aient signé "en bloc" le Pacte de Kellog, sans faire la moindre réserve, sans tenir assez compte que les deux traités : le premier avec ses sanctions militaires, le second avec son absence de sanctions, - bien qu'inspirés par un principe unique : la condamnation formelle de la guerre, - pourraient être opposés l'un à l'autre le jour où la paix internationale serait en péril.

Cependant je ne partage pas la conclusion du journal anglais. Ce serait sous-estimer l'incontestable désir de paix des nations et l'effort sincère des hommes d'Etat de rejeter l'un ou l'autre, sans avoir étudié à fond la caractéristique de chacun d'eux leurs points de rapprochement et les motifs qui les séparent.

L'importance du Pacte de Kellog est celle-ci : cet acte est destiné à devenir le chaînon, qui unira un jour le Protocole de Genève et le Document encore à venir, par lequel les bases réelles de la paix seront définitivement fixées.

Mais pour arriver à un terrain d'entente entre les deux traités; le Protocole et le Pacte, pour que Washington et Genève se tiennent solidaires un jour vis-à-vis de l'agresseur éventuel, une nouvelle mise au point est nécessaire: le Protocole demande à être modifié et le Pacte complété.

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La clause la plus caractéristique du Protocole de Genève - qui n'est pas encore mis en vigueur, mais qui pourtant n'est pas rejeté - est : "L'alliance militaire mondiale contre tout peuple agresseur".

Les défauts de ce système sont si frappants que déjà au moment où le Protocole fut créé - époque qui cependant devait trouver tout naturel que l'on parlât de clauses militaires, - d'assez vives critiques s'élevèrent de tous côtés.

Lorsque Genève appellera ses croisés pour la sainte guerre, on peut craindre qu'elle ne constate rapidement que les nations n'ont ni les mêmes idéals, ni les mêmes buts, ni les mêmes intérêts. Les diplomates de Genève sauront trop vite, hélas, qu'ils

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ne disposent pas du matériel de guerre sur lequel ils avaient tablé, lorsque, enthousiasmés, ils acclamèrent le brulant appel de l'ex-premier ministre français, Mr. Herriot.

D'après le système idéal de Genève, il n'est plus possible pour aucun pays de rester neutre, au cas où la Ligue des Nations déclancherait la guerre. On peut admirer le premier ministre danois, Mr. Stauning et sa noble déclaration à Genève en Septembre dernier, que le Danemark veut rester solidaire avec les autres nations dans la question de désarmement. On peut également trouver bien que le général suédois, Mr. Henri de Champs, se prenne à temps pour réunir la Suède et la Norvège au cas où Genève ordonnerait à leurs fils de prendre les armes en faveur des républiques baltiques attaquées par les Soviets. Et pourtant quel danger n'offrent pas ces projets généreux et téméraires.

Pourquoi essayer par un programme tentateur de leurrer les petites nations ambitieuses, en les engageant à entrer dans une combinaison guerrière, dont le résultat pourrait les entraîner à une issue malheureuse ?

Un tel système pourrait d'un autre côté, nous conduire à une catastrophe semblable à celle de 1914-18, pour ne pas dire plus effroyable encore, dont les répercussions se feraient sentir jusqu'en Asie : en Mésopotamie, aux Indes, en Chine; en Afrique : dans l'Empire colonial français, les idées du feu Président Wilson de " selfdetermination", des peuples étant aujourd'hui à leur apogée. L'Angleterre a d'ailleurs compris qu'une nouvelle guerre mondiale est à éviter à n'importe quel prix. C'est pourquoi elle a refusé de souscrire au Protocole de Genève.

Quand Mr. Mac Donald, premier ministre anglais, présenta au Forum de Genève le plan de l'arbitrage obligatoire et du désarmement, la sécurité de la France, de la Belgique et de la Pologne n'étaient pas encore solutionnées. La question russe non plus. Des conflits nombreux et des menaces de guerre assombrissaient l'horizon. La parole d'honneur brisée, l'histoire "du chiffon de papier" restaient fraîchement gravées dans les mémoires. Il est bien admissible dans ces circonstances, que les diplomates de Genève n'ayant pas horreur de la guerre, aient eu recours à ses foudres; les sanctions militaires qu'ils réclamaient paraissaient de ce fait légitimes.

Pourtant les raisons qui incitèrent les diplomates à signer le Protocole de Genève ne les empêchèrent pas de craindre maint écueil dans le nouveau système. Cependant à n'importe quel prix ils voulurent créer et créèrent, déclarant la guerre à la guerre. Mais comme le disait un journal français : "La guerre à la guerre", c'est toujours la guerre, et ce seront encore les mêmes qui s'y feront tuer!"

Sans vouloir critiquer plus en détail le système de Genève, je ne voudrais pas omettre de relever une des phrases du grand et émouvant discours du ministre français des Affaires Etrangères, à la Conférence du mois de Mars 1925 :

"La Ligue des Nations ne saurait venir dire aux peuples : la guerre est quelque chose de criminel. Dans la vie ordinaire les criminels sont poursuivis, mais les criminels de guerre nous sommes obligés de les subir."

Mr. Briand a parfaitement raison. Ces deux espèces

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de criminels doivent être punis d'après leurs crimes. Mais il y a une différence entre les deux cas. Pour punir un criminel ordinaire sa vie seule paie ses fautes, et aucun sang innocent coule pour les racheter. Pour punir un criminel de guerre, faut-il, en plus de son sang verser celui de millions d'hommes étrangers à ses crimes ?

Pourquoi penser seulement à punir les criminels de guerre ? Pourquoi ne pas plutôt penser à rendre leur crime impossible ? Pourquoi ne pas élaborer un plan avec sanctions autres que des sanctions militaires, dont l'efficacité serait telle qu'elle forcerait l'agresseur à s'arrêter au seuil de son crime ?

De telles sanctions sont-elles réalisables ? Je n'hésite pas à affirmer que oui.

Personne ne peut indiquer un plan qui empêcherait définitivement et universellement la guerre - par exemple une guerre entre les Indes et l'Angleterre, ou entre le Japon et les Etats-Unis. Mais n'est-il pas possible de trouver un système dont l'application immédiate et sévère pourrait certainement éviter de nouvelles guerres en Europe et tout particulièrement dans les pays où d'après des calculs approximatifs, la guerre (en dehors de l'Allemagne) pourrait éclater à nouveau.

Elle est très belle l'idée de la France et de la Tchécoslovaquie, qui veulent aider leur prochain, leurs voisins, leurs amis, les nations injustement opprimées, non seulement économiquement et financièrement, mais aussi militairement. Hélas un beau geste peut avoir des suites néfastes, et ce serait inévitablement le cas si l'on appliquait les sanctions militaires du Protocole de Genève.

Je suppose que l'on peut démontrer que pour la

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plus grande partie du monde le système des sanctions militaires ne serait pas nécessaire. Je veux indiquer comment j'arrive à cette conclusion, et je prendrai, dans ce but quelques exemples :

Beaucoup de pays ne troubleront jamais la paix du monde, la Norvège, la Suède et le Danemark par exemple. La Hollande et la Suisse, pays pratiques et pacifiques, repoussent même toute aide. L'Angleterre qui refusa toute intervention étrangère, lors de son conflit avec l'Egypte, s'arrangera seule, le jour où les Indes se soulèveront en masse pour établir leur indépendance. Le Japon ne réclamera sans doute jamais l'application du dangereux système de Genève. Et si un jour il veut élargir ses frontières sur le grand terrain chinois, l'Amérique interviendra dans son propre intérêt, et les Etats européens n'auront pas à s'en mêler, sauf l'Angleterre, qui évidemment n'a pas installé pour rien un nouveau Gibraltar à Singapour.

En ce qui concerne l'Europe, il existe cependant un certain nombre de foyers de guerre permanents. Mr. Benès Ministre de Tchécoslovaquie, en a tracé un tableau frappant à la Conférence de Genève en Mars 1925 :

"De la Finlande au nord, en passant par les républiques baltiques, par la Pologne et l'Allemagne, par la Tchécoslovaquie et l'Autriche, par la Vallée du Danube jusqu'à Constantinople et à l'extrémité de la Grèce au sud, s'étendent les régions où l'on peut susciter des milliers de conflits, qui commenceront un jour par un garde-frontière assassiné, ou par un drapeau foulé aux pieds, et qui peuvent déchaîner le lendemain une guerre effroyable."

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La Presse a estimé que ces paroles de Mr. Benès entraînaient à d'autres conclusions que celles qu'il avait souhaitées. Le Ministre de Tchécoslovaquie n'a-t-il pas donné un coup mortel au système prôné à Genève par lui et l'ancien Ministre Herriot.

Il est certain que toutes les régions mentionnées par Mr. Benès sont fertiles en éléments de guerre, et que pour la paix européenne, il est de la plus haute importance de chercher des moyens efficaces pour y éviter de nouveaux troubles.

La question doit être ainsi posée : Est-il nécessaire pour ces contrées de recourir à des sanctions militaires ? Ou faudra-t-il mettre l'Europe en feu, parce que l'on n'a pu trouver d'autre remède pour y établir la paix ? A cette question l'on peut répondre négativement.

A mon avis, la Société des Nations devrait créer une Alliance mondiale économique et financière contre tout peuple agresseur.

Dans ce but elle éliminerait du Protocole de Genève les sanctions militaires, et on y apporterait les modifications, dont on a déjà tant parlé, sans arriver à aucune conclusion.

Ce système fonctionnerait ainsi :

Si un pays n'acceptant pas l'arbitrage obligatoire est déclaré agresseur par la Société des Nations, tous les pays qui y sont représentés déclarent à l'agresseur la guerre commerciale et financière, ce qui veut dire que tous ces pays refusent catégoriquement de traiter n'importe quelle affaire commerciale et financière avec lui.

L'efficacité de ce système est-elle assez forte

pour empêcher l'agresseur d'attaquer son voisin ou son ennemi ?

Prenons comme exemple tous les pays mentionnés par le Ministre de Tchécoslovaquie, sauf l'Allemagne, et analysons leurs situations respectives au moment où l'un d'eux serait frappé par l'ultimatum d'une "guerre commerciale et financière".

Est-ce qu'un seul de ces pays est une puissance ? A-t-il des vivres en telle abondance qu'il se suffit à lui-même ? Peut-il se procurer par ses propres moyens les matières premières ? Ses finances sont-elles assez fortes pour lui permettre de soutenir tous les besoins qui seront la conséquence d'une guerre commerciale et financière ?

Pour prouver l'efficacité de ce système, je prends l'argumentation de ceci : qu'aucun pays n'a assez en soi-même : il est obligé d'avoir recours aux autres pays, aussi bien pour ses vivres et ses matières premières, qu'au point de vue financier.

Un pays serait-il capable d'endurer une vraie guerre si comme perspectives, il n'avait que la fermeture douanière de ses frontières, et l'isolement financier et économique complet et mondial ?

Un peuple voudrait-il se dresser par une action guerrière contre un pays, s'il avait rédigé d'avance à Genève un décret libellé ainsi : quand un pays est déclaré agresseur, tous les traités commerciaux que les Etats ont signés avec lui seront abolis automatiquement et immédiatement ?

Un pays pourrait-il supporter, par exemple, les conséquences d'un édit de la Société des Nations décrétant que tous les biens de ses concitoyens comme ceux de l'Etat se trouvant au moment

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de l'agression dans les banques des différents pays du monde, seront mis sous séquestre ?

Il faut répondre négativement à toutes ces questions. Les conséquences d'une guerre commerciale et financière déclarée par le monde entier seraient désastreuses pour le peuple agresseur.

Les sanctions économiques ne sont pas une innovation récente. Je viens d'apprendre qu'une commission hollandaise a donné en 1916 un ample exposé de notions de boycottage économique. Et les sanctions économiques ont été employées avantageusement avant notre époque.

Quand Philippe II organisa l'expédition "la grande armada", les hommes d'affaires de Londres conseillèrent aux commerçants de Gênes de refuser l'argent du roi d'Espagne. L'armada fut dans l'impossibilité de partir avant une année, et les anglais eurent le temps de se préparer à la défense de leur pays.

On ne réfléchit pas assez à ce que serait, en réalité, pour un pays une guerre commerciale et financière. Je veux par un exemple de chez nous, tâcher de démontrer ce que c'est.

La Norvège, désirant que ses fils soient sobres, avait mis il y a 4 ans, une forte prohibition sur l'importation de l'alcool. Cette prohibition atteignit, en premier lieu, l'Espagne et le Portugal, grands importateurs de vin dans notre pays. Comme riposte à cette prohibition, la péninsule Ibérique déclara la guerre commerciale à la Norvège : 1°. refusant notre poisson; 2°. augmentant de cinq fois, au Portugal, l'entrée du port pour notre flotte. L'Espagne et le Portugal étaient le plus grand débouché pour notre poisson. La Norvège connut une crise terrible de plus d'une année, per-

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dant laquelle notre vie commerciale fut atteinte profondément, et serait arrivée aux pires catastrophes si, à la fin, nous n'avions pas accordé de grandes concessions aux espagnols et aux portugais.

Il n'était pourtant question ici que d'une seule branche de notre industrie. Mais nous, norvégiens, pouvons déduire de cette expérience ce qui serait arrivé, si toute notre industrie avait été atteinte de la même façon : C'eut été la ruine complète pour la Norvège.

D'ailleurs les diplomates de Genève n'ignorent pas l'importance des sanctions économiques et financières. Le député français, Mr. Paul Boncour, en a préconisé la valeur. Voici ce qu'il disait à Genève le 2 Octobre 1924 : "L'universalité des sanctions économiques crée pour l'agresseur éventuel une situation impossible." Mais puisqu'il est de cet avis, pourquoi ajoute-t-il? "Mais cela ne suffit pas. Il faut que jouent les sanctions militaires, les sanctions navales et aériennes". Pourquoi cette conclusion? Si vraiment le bon sens démontre que l'application des sanctions économiques crée une situation impossible pour l'agresseur, on aurait dû en ce cas approfondir et étudier cette question dans ses moindres détails, avant d'avoir recours à d'autres sanctions, particulièrement quand les conséquences de celles-ci pourraient être dangereuses, pour ne pas dire néfastes.

Je m'attends à ce que le système proposé serait critiqué. Tous les promoteurs des sanctions militaires ne se rangeront certainement pas à cette idée. Même ceux qui la trouveront souhaitable, y verront plus d'une objection. C'est à une de ces principales objections que je veux répondre immédiatement :

Au moment où un pays sera déclaré "agresseur"

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et que les sanctions économiques et financières seront mises en exécution, ses voisins et ses amis les plus paisibles pourront subir brusquement de fortes pertes par la fermeture de leurs frontières douanières, ces nations ayant besoin de l'agresseur pour ses vivres et ses matières premières et comme débouché pour ses propres produits. Voici ma première réponse à cette objection : ces pays auraient autrement souffert si les sanctions militaires de Genève avaient soulevé la guerre ! Et en voilà une deuxième : le rôle de la Ligue des Nations serait de parer aux inconvénients de ces cas isolés . Pour ce faire, elle devrait, avant tout, veiller sur l'état économique des peuples. Par une organisation sérieuse, il ne devrait pas être difficile, pour Genève de soutenir, sans retard, les Etats qui auraient eu à souffrir injustement par les sanctions économiques et financières : leur procurer une source de vivres et matières premières, etc., ainsi que des débouchés pour leurs produits. Et si, malgré tout, la crise devenait trop aiguë pour ces pays, Genève, étant directement en relations avec les grands capitalistes du monde, pourrait momentanément parer à ces crises par la finance. Rien n'empêche même que tous les pays représentés à la Ligue des Nations et voulant participer à "l'Alliance mondiale économique et financière" supportent au prorata, si c'est nécessaire, les frais de ces crises. La Ligue des Nations pourrait même, après de sérieuses réflexions, remédier à ces difficultés par les dépôts d'argent appartenant à l'agresseur, et se trouvant sous séquestre dans les banques étrangères.

On pourrait encore, entre autres, objecter à

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l'efficacité de ce plan ceci : un peuple agresseur, sûr de son économie et de ses finances pour un certain temps, pourrait faire fi de l'application des sanctions économiques et financières, et attaquer son ennemi sachant que les autres nations ne lui déclareraient pas la guerre. A ceci, je répondrai d'abord : Soyez prudents, il faut toujours compter sur l'imprévu et les surprises. L'Allemagne ne pensait pas non plus que l'Italie marcherait contre elle, pas même l'Angleterre. Un Etat ami et voisin d'un pays attaqué ne permettrait probablement pas que son ami soit maltraité et détruit comme bon semblerait à un agresseur éventuel.

La Société des Nations devrait d'ailleurs adopter une clause libellée ainsi :

Si l'agresseur malgré tout attaque, la nation attaquée aura le droit de préemption avant toutes les autres nations, sur les marchandises dont elle a besoin, ainsi que le crédit à l'extension d'après les circonstances; je pense ici tout particulièrement aux traités commerciaux des nations neutres entre elles.

Ensuite, la Ligue des Nations devrait signaler d'avance que tout agresseur éventuel serait frappé d'un édit spécial, lui interdisant de reprendre contact commercialement et financièrement avec les autres nations du monde, pendant une longue durée, même si le temps des hostilités n'a été que très court. Ce décret ne serait autre chose qu'un banissement déguisé.

On pourrait objecter à ceci : Des mesures prises trop sévèrement contre un agresseur ne risqueront-elles pas de jeter celui-ci dans un état pareil à l'état de guerre : guerre

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By Milton O. Gustafson NARS, Date 12-18-75

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civile, misère, ruine ? Sans doute, mais cette perspective
aidant, l'agresseur aura une raison de plus pour mesurer la
folie qu'il commet en affrontant, par sa faute, le bloc de
l'univers entier inexorable pour son crime.

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Arrivons maintenant à l'examen du Pacte de Kellog, dont le thème initial est que la guerre est une abomination.

Ce pacte a voulu rendre manifeste l'horreur que doit inspirer la nation civilisée, qui de nos jours ose encore déclarer la guerre. Mais "mettre la guerre hors la loi" cela signifie n'est-ce pas mettre hors la loi le pays qui fait appel à la violence pour satisfaire ses prétentions ou vider ses querelles.

Washington semble si convaincu que la flétrissure publique est une intimidation suffisante pour prévenir toute tentative d'agression, qu'elle ne se préoccupe pas de l'attitude qu'elle aurait à prendre au cas où un parjure audacieux violerait les lois sacrées du pacte.

Que l'Amérique resterait en rapports amicaux avec la nation coupable, se contentant de lui infliger un blâme public, est une supposition ridiculement illogique. En face d'un agresseur, fut-il son ami de la veille, si malgré conseils et prières elle le voit persister dans ses mauvaises intentions, il est incontestable que l'Amérique coupera court à toute relation amicale avec lui. Bien plus, elle s'efforcera de l'arrêter dans son acte, soit par le refus d'aide financière, soit par un blocus salutaire. En réfléchissant sur la possibilité de cette situation, l'Amérique peut constater qu'il manque, malgré tout une clause à son magnifique pacte, clause sans laquelle celui-ci ne jouera jamais qu'un rôle secondaire dans la lutte entreprise contre un des plus grands maux de l'humanité.

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Il y a 5 ans, j'ai discuté le Protocole de Genève dans la Presse française, et j'ai proposé de remplacer les sanctions militaires par la création de l'"Alliance Mondiale Économique et financière contre tout peuple agresseur". Les journaux de Paris et la Presse

Belge tout particulièrement ont commenté mon projet qui a été adressé au Secrétariat de la Société des Nations, fin août 1925, lequel en a accusé réception.

Il n'est pas étonnant que Genève, qui venait de mettre en marche un système aussi diffus que le Protocole, n'ait jeté qu'un coup d'oeil distrait sur un projet qui venait culbuter la clause la plus importante de tout le Protocole.

Les temps ont changé depuis, et les idées pacifiques sont arrivées aujourd'hui à leur pleine maturité. L'idée de combattre la guerre par la guerre paraît maintenant criminelle et monstrueuse.

Le moment n'est-il pas venu pour les hommes d'Etat - dont plus d'un est sincèrement adversaire des sanctions militaires du Protocole - de moderniser ce document, en le faisant correspondre aux idées entièrement pacifiques.

Lorsque, quelques jours après la publication de mon projet, les Ministres des Affaires Etrangères Chamberlain et Zahle, réclamant à Genève des précautions pour rendre le crime impossible, y étaient fortement acclamés, j'ai éprouvé une vive satisfaction. Mais si ces deux éminents hommes d'Etat ne cachèrent pas leur aversion pour les sanctions militaires, ils ne donnèrent d'ailleurs, aucune indication des moyens qui pourraient les remplacer.

Genève essaie actuellement de rajeunir son Protocole et de l'harmoniser avec le Pacte de Kellog. Nous savons qu'une commission spéciale est chargée de ce soin. Néanmoins, il ressort de la dernière assemblée, qu'on croit la question difficile ou impossible à résoudre. On prétend entre autres qu'il est nécessaire de connaître les pourparlers qui ont précédé le Pacte de Kellog. Le problème ne se solutionnerait-il pas plus facilement si Genève voulait s'occuper d'abord

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de son propre Protocole, éliminer de celui-ci les épineuses sanctions militaires, pour entreprendre ensuite un travail commun avec les Etats-Unis. En attendant, le Ministre de l'Intérieur britannique, M. Henders, à la session de Genève, s'est ouvertement exprimé en faveur de la suppression des sanctions militaires. Le Ministre fait valoir que: "En enlevant le droit de faire la guerre, le Pacte de la Société des Nations ne serait pas affaibli, mais au contraire, fortifié dans son activité d'accommodement des conflits internationaux".

L'occasion est belle: nous avons devant nous la perspective inattendue d'une collaboration utile sur le terrain politique entre les Etats-Unis et les pays membres de la Ligue des Nations. Que Genève tâche de profiter d'une atmosphère aussi favorable à la paix pour se solidariser efficacement avec le plus puissant Etat du monde!

C'est en vue de cette solidarité possible entre les Etats-Unis et la Société des Nations que je me permets de suggérer l'idée d'un "essai" d'alliance mondiale économique et financière contre tout peuple agresseur.

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On peut se demander si vraiment les
Etats Unis accepteraient les conditions de sanction économiques
et financières.

Ces sanctions correspondent admirablement
avec le sens pratique américain. Comme exemple je veux citer
le cas de M. Mitrany, membre de la Fondation Carnegie et auteur
du livre "The problem of international sanctions". Dans cette
brochure, parue il y a 5 ans, l'auteur proposait une idée analogue
à la mienne. M. Mitrany n'avait certainement pas eu connaissance
de mon étude, publiée quelques mois plutôt. L'éminent citoyen
des Etats Unis avait donc raisonné dans le même sens que moi;
ce qui prouve que mon idée n'est pas tout à fait utopique.

Une chose est évidente: c'est que les
Etats Unis désirent rester en dehors de la Ligue des Nations,
ce qui correspond avec toutes leurs doctrines appliquées jusqu'à
ce jour. Du reste, ils n'ont aucun intérêt à ce lier avec une
partie du monde où peuvent surgir à chaque instant des conflits
sanglants.

Mais en face d'une Europe pacifiée, prêtée
à chasser la guerre et envers laquelle il n'est tenu à aucune
obligation armée, le peuple américain ne sera t'il pas -
comme j'ai déjà dit dans l'Appel à l'Amérique - mieux
disposé à collaborer le plus efficacement possible au travail
dont bénéficier l'humanité toute entière?

On a suggéré que les Etats Unis s'inter-
essent moins encore aux affaires d'Europe depuis le discours
de Briand sur les futurs Etats Unis d'Europe. N'en croyons rien.
Qu'ont ils d'ailleurs à redouter d'un projet sur lequel les
hommes d'Etat vont se disputer pendant des générations.

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La formation des Etats Unis d'Europe est une idée pacifique de grande envergure. La diplomatie, la haute finance, la presse s'en empareront avec acharnement. En réfléchissant on trouvera peut-être l'idée de feu Ministre Streseman: une Union économique mondiale moins utopique: plus logique, plus nécessaire, plus réalisable.

Mais si les membres européens de la Société des Nations espèrent réussir dans l'un ou l'autre de ces projets, peuvent-ils continuer à défendre les sanctions militaires du Protocole de Genève? Croyez-vous que les américains resteraient dans leur Union si Washington inventait un "Protocole de Washington", alias le Protocole de Genève? Le système actuel de Genève et l'idée de fraternité des Etats Européens ou mondiaux se contre disent l'un l'autre. Rien que pour cette raison Genève devrait abolir ses sanctions de guerre.

Le grand idéaliste, M. Mac Donald a proposé comme le meilleur moyen d'éviter la guerre l'arbitrage obligatoire pour tous les pays.

J'ai déjà soutenu, il y a 6 ans (juillet 1924), dans un rapport envoyé à Philadelphie au Comité du Prix Bok pour la paix, la même thèse, estimant que si la France et la Belgique avaient, par une alliance défensive, pris leurs précautions de sécurité en mettant un frein aux idées militaristes allemandes, la Société des Nations aurait du faire figurer sur son programme l'arbitrage obligatoire.

Pourtant, il faut avouer qu'il serait, malgré tout, erroné de se fier à l'arbitrage seul, étant donné surtout que la période de réalisation des idées pacifiques de

23.

désarmement est encore lointaine. On ne peut qu'apprécier fortement tous les efforts faits par le Président Hoover et le Ministre Mac Donald dans cette question. Mais quand même, comment peut-on, à Washington ou à Londres, penser à inviter les voisins de l'Allemagne à désarmer avant que le peuple allemand se montre décidément pacifique et abandonne toute idée de revanche? Washington voit la situation avec calme derrière le rempart de l'Océan. Mais la France et la Belgique n'ont pas ce même rempart: elles ont donc le droit de se montrer vigilantes.

Il ne faut pas cependant, abandonner l'étude constante de la question du désarmement. Car les peuples seront en droit d'attendre de grandes modifications dans ce sens. Naturellement, le désarmement ne peut jamais être complet. Mais l'armement peut-être fortement réduit et de la sorte on peut empêcher un pays de rêver à la guerre ainsi que diminuer les terribles charges qui pèsent sur tous les citoyens des pays armés.

24.
Ce ne sont pas Mac-Donald, Herriot, Briand, Kellog seulement qui de nos jours ont présenté des projets concernant la solution de la question de la paix. L'américain H.J. Wells veut mettre toute oeuvre de paix aux mains des Etats-Unis, de l'Angleterre, de la France, de l'Allemagne et du Japon. Ces puissances sont, d'après lui, la force morale, matérielle et financière qu'il faut pour pouvoir donner la paix au monde entier. En créant un Conseil fédéral permanent (- un Conseil nouveau - en dehors de la Société des Nations) devant lequel les controverses de tous les pays seront appelées, et à la disposition duquel les pays mettraient leurs armées et leur flotte, la guerre internationale serait exclue pour toujours.

Les 5 puissances dominantes de Wells pourraient-elles s'entendre, et voudraient-elles assumer cette tâche. Quelle serait, en cas de guerre, la situation du Conseil fédéral de Wells vis-à-vis du commandement donné dans les différents pays où le danger menaçait et où on ne pouvait attendre le secours du "super ministère", que deviendraient les petits Etats sous le spectre éventuel des autres puissances. Je salue seulement pêle-mêle quelques idées, peut-être ne sont-elles pas inadmissibles.

Je voudrais maintenant citer un projet de paix qui exige un plus ample développement, car il est à l'ordre du jour à la Société des Nations.

Ce projet, provenant du côté finlandais, se présente au Forum de Genève il y a quelques temps sous cette forme: "Convention pour assistance financière". Il est actuellement discuté par les comités de la Société.

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J'ai pris connaissance de ce projet par un article dans l'"Aftenposten", émanant du professeur John Keynes, le 6 mars dernier. L'économiste anglais fait ressortir ledit projet comme une des propositions les plus pratiques se présentant à la Société des Nations.

Ce projet se résume succinctement en ceci:

La Société des Nations pourrait, d'après un plan élaboré d'avance, offrir un appui financier immédiat à l'Etat attaqué. Lorsqu'un danger de guerre se montrerait à l'horizon, le Conseil aurait le pouvoir de contracter un emprunt international sur les marchés financiers dirigeants, emprunt garanti par les membres ayant accédé au plan, et mis en rapport avec leur participation normale à la Société.

L'avantage de ce système est que: lorsqu'un pays donnerait l'impression de vouloir en attaquer un autre, ce dernier serait aidé à parer le choc par la Société des Nations. Il recevrait, d'après les circonstances, les millions dont il aurait besoin pour faire la guerre. Le professeur Keynes parle de 50 à 250 millions de livres sterling et maintient qu'une aide - de par exemple 50 millions de livres pour un Etat moyen - serait suffisante pour forcer l'agresseur à se soumettre à la Société des Nations. Il ne s'agirait pas ici des grandes puissances, mais des Etats secondaires, et à ce propos, M. Keynes cite les mêmes pays que ceux avec lesquels M. Benès, Ministre des Affaires Etrangères, comptait dans son système, c.à.d. l'Europe Centrale et les Balkans.

Ce projet, que Keynes loue fortement, est-il un moyen effectif pour donner plus de réalité aux décisions de la Société?

Le temps ne me permet pas de ^{le}développer plus longuement, ~~rexxxxjett~~ Je me bornerai à citer quelques-uns des objections les

26.

plus importantes que l'on peut y faire.

Je ne nie pas que ce plan: une société financière contre la guerre- pourrait arrêter quelques pays au seuil du massacre, mais on peut envisager d'autres pays, qui ne voudraient pas se laisser intimider par un tel plan de finances, ayant eux-mêmes des groupes pécuniers en réserve qui, malgré l'immoralité de commencer la guerre, estimerait, au point de vue matériel, que le pays agresseur est plus fort que le pays attaqué.

En se référant aux mêmes pays que ceux auxquels le Ministre Benes fit allusion: l'Europe Centrale et les Balkans, il me semble que le professeur Keynes donne le coup mortel à la "Convention de l'Assistance financière" - comme Monsieur Benes le donna au "Protocole" par les sanctions militaires.

Dans les contrées citées, où il couve un feu dangereux, une aide de capital de 50 millions de livres ou plus, serait un don venu à souhait pour plus d'un pays en cas d'attaque. A cause des situations pénibles dans lesquelles vivent certains de ces pays, une guerre ne se présenterait pas pour eux comme le pire malheur; et si la perspective pouvait être l'accord d'une aide de capital mondial au pays martyr, on comprendra avec quelle satisfaction ces puissances accueilleraient la convention en question. Les petits Etats de l'Ouest et du Nord de l'Europe se montreraient probablement assez réservés sur ce projet.

En outre, le fait que ce projet - malgré son intention - jette un pays en guerre, a encore une grande objection contre lui.

Les rapports amicaux, les raisons matérielles (le placement du capital de la société fédérale), la perspective des chances spéciales, pourraient faire que d'autres pays interviendraient.- Et c'est la brèche pour une nouvelle guerre mondiale ...

Je ne vois dans la convention pour l'assistance financière

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aucun bénéfice particulier pour le pays attaqué, je la considère en tout cas hasardeuse, et trouve le frein contre l'agresseur insuffisant; je cherche en vain les moyens qui empêcheraient la guerre future.

Il me paraît que la Société des Nations ne devrait pas troubler les circonstances, et détourner son attention de l'agresseur pour concentrer essentiellement ses pensées sur le pays attaqué.

C'est l'agresseur qui est dangereux et celui que l'on doit abattre.

La question est toute autre si - comme nous le disions plus haut - la Convention de l'Assistance financière prête aide au pays attaqué sous forme de marchandises nécessaires, -et même de matériel de guerre, -en lui accordant la préférence commerciale. Une telle aide n'aurait pas les conséquences dangereuses qui se rattachent à l'assistance financière.

Il est évident qu'il est encore trop tôt pour se prononcer sur le nouveau pacte dont le Professeur Keynes annonce la présentation par la Société des Nations à son forum dans un proche avenir. Mais au cas où il s'estomperait dans le cadre indiqué par l'économiste anglais, je prends pour certain - même si quelques Etats se laissent éblouir et l'acceptent - que jamais il ne sera mis en vigueur.

Je viens de faire une réserve concernant l'attitude de l'Allemagne vis-à-vis des traités actuels de paix. Les idées de revanche ne sont malheureusement pas encore détruites dans ce pays, et il est à craindre que la Société des Nations ne soit pas assez forte pour les empêcher un jour d'éclore.

Mais l'Allemagne même, et d'ailleurs n'importe quelle autre nation belliqueuse, ne réfléchira-t-elle pas mille fois avant de se jeter en guerre lorsqu'elle aura la conviction que, non-seule-

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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

28.

ment les nations représentées à Genève, mais encore les Etats-Unis seront prêts à lui barrer la route par un blocus impitoyable.

Ainsi présentées, - et sous condition que l'Univers entier vienne se ranger autour d'elles - , les sanctions économiques et financières sont appelées à jouer dans le programme de la paix, un rôle vraiment efficace et pleinement d'accord avec l'évolution constante du pacifisme.

Sans doute, la tâche est grande. Il n'est entre autre, pas tout simple de décider quel pouvoir exécutif devra être donné à la Société des Nations. Il y a mille détails financiers à mettre au point, (aide financière au pays attaqué, report de créances etc.,).

Les diplomates auront encore bien du mal à convaincre les magnats de l'industrie et du commerce, de la nécessité des sanctions économiques et financières. Ces hommes ne comptent pas en général sur la paix éternelle. Il leur sera difficile d'admettre que leur pays soit obligé de rompre un jour, automatiquement, les relations avec un Etat ayant un intérêt vital avec leur pays. Mais il faut que les magnats arrivent à comprendre la force de la volonté de paix des peuples.

Il faut aussi compter avec un obstacle possible : l'ambition d'hommes politiques empiétant sur la volonté des peuples. Néanmoins cette crainte est minime. Les hommes envoyés à Genève, sont choisis en dehors de tout esprit de parti. Ils appartiennent à cette élite, qui a côté des sentiments patriotiques profonds, ont à coeur le bien de l'humanité entière. Ils soutiendront les droits de leur patrie, mais en évitant l'égoïs-

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Department of State letter, August 10, 1972
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me étroit, source fréquente de conflits.

Les maux que la grande guerre a infligés sont irréparables. Sachons profiter de la dure leçon. La rivalité entre les peuples est stupide; il nous a fallu 20 siècles de civilisation pour le comprendre. Aujourd'hui le désir de rapprochement est grand et presque général. C'est vers ce but que doivent s'orienter désormais tous ceux qui sont épris du bonheur et de la prospérité des peuples.

Truels Wick

Ex-Viceconsul de Norvège.

1 2 27

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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

JANUARY 7 1932.

No.

To the American Consul General,

Oslo, Norway.

The American Consul General at Oslo is requested,
if he perceives no objection, to make suitable acknowledg-
ment to Mr. Truels Wiel, whose address is No. 12,
Schultzgate, Oslo, of his letter addressed to the
Secretary of State under date of November 28, 1931,
together with its enclosure, a lecture on the theme
"Geneva and the Kellogg Pact".

793.94/3273

793.94/3273

Jan. 8, 1932

WE:WY:ABW:SS

1-6-32
1932
[Handwritten signature]

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DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Lutz NARS, Date 12-18-75

THE SECRETARY OF WAR
DIRECTS ANSWERS TO THIS
RADIO AS FOLLOWS:
ADVISE WITHIN 12 HOURS
if answer is unnecessary.
If answer is NOT SENT
WITHIN 7 DAYS REASON
MUST BE STATED.
C. H. BRIDGES,
Major General,
The Adjutant General.

Copies furnished as noted:

*From Secwan
note Hs
793.94*

RECEIVED
EO. 11652, Sec. 3(D) and 5(D) or (E)
GSD letter, May 3, 1972
NARS Date 2/4/73

G-2
TAG

X
V

FORM NO. 6 635-C-7 G.O.
ED. MAY 15, 1922.

RADIOGRAM

Code
Cable
SECRETARY OF STATE
DEC 16 1931
From

Tokio

To

The Adjutant General

December 17, 1931

Division of
FAR EASTERN AFFAIRS
DEC 18 1931
Department of State

DEC 18 1931
9:45 A M.

CONFIDENTIAL

Number 204

Dec 17th

F/DEW

793.94/3274

Cabinet approved sending following troops to Manchuria, one mixed Infantry Brigade from 10th Division augmented by auxiliary troops from the 1st Division, Guards Division, and Guards. Total number to equal present Korea Brigade. Also 112th Infantry 5th Division to Tientsin, estimated at 1,000. Korea troops in Tientsin to be withdrawn to Manchuria. Korea Brigade to be withdrawn if situation permits. Japanese claims whole trouble caused by bandits and irregular Chinese soldiers whom they believe are cooperating with and are being supplied by Chin Chow, and General Staff unofficially states that Chin Chow must be reduced but it is hoped that these detachments overawe them and warfare will be averted. General Staff also states that prior to any action being taken these activities will be made and later a warning issued. They also claim observation of foreign observers of true conditions between Chin Chow and Mukden impossible and unduly influenced by Chinese. Appointment of Araki strengthens military authorities powers.

[Chin Chow]

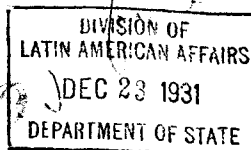
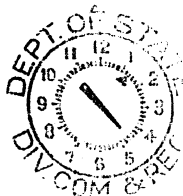
Cranford → (Asst. M.A. Japan)

Note: Underscored words serviced

X INDICATES RADIO ROUTED FOR ACTION; / FOR INFORMATION

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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

PM RECD

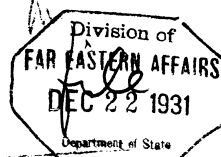


BE
LA
WE

DEC 21 31 Buenos Aires, December 11, 1931.

No. 1449

Sent by airmail December 11
Copy by steamer December 14

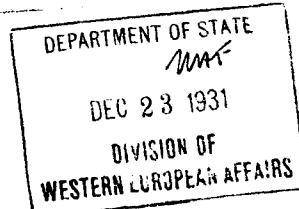


F/DEW

793.94/3275

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OK DIST. 12-11-31
In U. S. A. 12-11-31



The Honorable
The Secretary of State,
Washington.

Sir:

1/2/

As a sample of propaganda, I have the honor to enclose herewith a press statement by the Japanese Legation in this city. Señor Matos, Guatemalan delegate to the Council of the League, apparently endeavored to apply the Drago doctrine to the Manchurian situation. The Legation is quite emphatic to the effect that the Drago doctrine has nothing whatever to do with the case.

Respectfully yours, .

J. C. White
J. C. White
Chargé d'Affaires ad interim

Enclosures:

1. Clipping from LA NACION of December 5, 1931.
2. Translation of the same.

JCW:CAF
711

(Enclosure / in Despatch No 1449)

Clipping from LA NACION of December 5, 1931.

LA DOCTRINA DRAGO Y EL CONFLICTO MANCHURIANO

La legación del Japón comenta un
editorial de LA NACION

Con motivo del artículo editorial publicado en LA NACION del 26 de noviembre pasado sobre el conflicto de la Manchuria y la doctrina Drago, la legación del Japón nos envía el siguiente comentario:

Son, sin duda, muy conocidas las causas remotas e inmediatas que motivan el conflicto chino-japonés en Manchuria. Los derechos del Japón en esa región se basan en fundamentos históricos y en los tratados internacionales. Es indispensable para la existencia de la nación japonesa sostenerlos y eliminar todas las presiones ilegales que ameneguen sus derechos. La solución de este conflicto, como todo el mundo sabe, es problema sumamente importante que puede determinar la vida o la muerte del pueblo nipón.

La proposición del señor Matos, delegado guatemalteco ante el Consejo de la Liga de las Naciones, el día 24 de noviembre, en que opinó que la tesis de la doctrina Drago podía ser aplicada al conflicto manchuriano, nos ha causado gran sorpresa. Es incomprensible que tal proposición haya sido aceptada por los delegados de diversos países europeos. Porque, de aplicarse los principios de la referida doctrina a reprimir el conflicto, el problema en sí mismo debía variar substancialmente de aspecto.

Desde luego, la doctrina Drago tiene su fundamento en la teoría jurídica que justifica ser contraria a la equidad cualquier opresión del fuerte hacia el débil, y que, del mismo punto de vista, son todas iguales las naciones soberanas, sin hacer distinción entre las fuertes y las débiles, las grandes y las pequeñas, para el mantenimiento del orden y la armonía universal.

Si las naciones europeas exigen por medio de la fuerza a naciones débiles el cumplimiento de sus obligaciones pecuniarias, la tesis de dicha doctrina lo considera como un acto injusto. Los principios de la referida doctrina son contrarios también a la violación de la soberanía de un Estado y rechazan la intervención militar o armada, así como la ocupación militar del territorio por parte del Estado acreedor con el fin de hacer cumplir la obligación.

La tesis de Drago tiene, por lo tanto, mucha analogía con la de Porter y Calvo, las cuales interpretan no aceptar como causa justificada la violación de la soberanía de un Estado independiente por deudas. La referida tesis, no obstante, no podría utilizarse como pretexto de no cumplir o anular sus obligaciones por parte de los países deudores.

El conflicto chino-japonés no tiene punto de contacto con la doctrina Drago porque la lucha entre la guarnición fe-

proviaria y soldados chinos en Manchuria, y el hecho de la ocupación militar de ciertos puntos después de haber ocurrido luchas entre bandidos chinos y tropas japonesas, no son acciones que pretendan forzar el cumplimiento de obligaciones pecuniarias, sino actos protectores de la vida y bienes japoneses en Manchuria. Son actos defensivos de las tropas imperiales y a la vez acción política al vigilar las vías férreas manchurianas.

El Japón es acreedor de China por una suma enorme, y aunque no tenemos presente en este momento las cifras exactas de los préstamos contraídos durante cincuenta años, desde 1874, podría estimarse más o menos en 390.000.000 de yens, incluyendo la indemnización que el gobierno chino debe al Japón. China no ha cumplido todavía esta obligación; además efectuó ocho o nueve veces, desde 1909, "boycots" a los productos japoneses. Como consecuencia, éstos han perdido el mercado chino, y los actos adversos se han extendido tanto que hasta se niegan a suministrar materias primas que les solicitan, con objeto de destruir la industria japonesa, provocando crisis en su vida económica.

Esta actitud de los chinos, según ellos mismos lo propalan, responde a un programa planteado con el objeto de incitar al Japón a la revolución social y al derrocamiento de sus autoridades, con intención de cancelar o anular unilateralmente todo lo debido al Japón, lo que estimamos como una trama original comunista.

No obstante lo cual, el Japón no ha tomado hasta la fecha medidas compulsivas para el mero cumplimiento de aquellas deudas, sino al contrario, ha postergado sus obligaciones, con el sentimiento de ayudar al arreglo financiero, hasta que llegue el tiempo y pueda verificarlo. Hemos invertido la indemnización de los "Boxers" en trabajos de promoción y desarrollo de la cultura en China. No hemos citado, por supuesto, ni siquiera una vez, la relación de nuestros préstamos en justificación de las acciones de nuestras tropas en Manchuria.

Si se aplicara la doctrina Drago al conflicto manchuriano, resultaría que el Japón toma medidas militares para forzar a China a cumplir sus obligaciones monetarias. Tales aseveraciones desvían y apartan del verdadero aspecto del conflicto así como las opiniones consecuentes no contribuyen a su solución, sino, al contrario, inducen en un precedente erróneo a las leyes internacionales.

En conclusión, nuestras tropas en Manchuria proceden en defensa de los importantes derechos que pertenecen al Japón en virtud de tratados internacionales, así como también en protección de las vidas y propiedades de sus connacionales y empresas.

Como no son actos que imponen a China ni a sus sujetos cumplimientos extorsivos de sus obligaciones, como terminamos de aducirlo, la proposición Matos puede considerarse una propuesta desviada y que obstruye la marcha del trabajo del Consejo de la Liga o si no fuese por órgano de la misma una mala inteligencia del asunto manchú.

(Enclosure No. 2 of Despatch No. 1449)

LA NACION - DECEMBER 5, 1931.

TRANSLATION

THE DRAGO DOCTRINE AND THE MANCHURIAN CONFLICT

Commenting on an editorial published in LA NACION on the 26th of last November on the subject of the conflict of Manchuria and the Drago Doctrine, the Japanese Legation addressed the following article to LA NACION:

The remote and immediate motives which caused the Sino-Japanese conflict in Manchuria are no doubt well known. Japan's rights in that region are based on historical reasons and on international treaties. It is indispensable for the existence of the Japanese nation to maintain those rights and to eliminate all illegal pressure to lessen them. As everybody knows, the solution of this conflict is an exceedingly important problem which can determine the life or death of the Japanese people.

The proposal made by Mr. Matos, the Delegate of Guatemala in the Council of the League of Nations on the 24th of November, in which he stated that the theory of the Drago Doctrine might be applied to the Manchurian conflict surprised us very much. It is incomprehensible that such a proposal should be accepted by the delegates of several European countries, because should the principles of the said doctrine be applied for the purpose of suppressing the conflict, the problem itself would be substantially changed.

No doubt, the Drago Doctrine is based on the juridical theory which establishes that any pressure exercised by the strong against the weak is contrary to equity and that, from the same viewpoint, all sovereign nations are equal without distinction between the strong and the weak nations, the great and the small nations, for the maintenance of universal order and harmony.

If

-2-

If through the medium of force, the European nations demand of weak ones that they fulfill their financial obligations, the theory of the said doctrine considers it as an unjust action. The principles of the doctrine to which reference is made, are also contrary to the violations of the sovereignty of a State and they reject armed or military intervention, as well as military occupation of the territory on the part of the State to which money is owed with the object of obtaining the fulfillment of the obligation.

Drago's theory is therefore very similar to the theories of Porter and Calvo, which do not accept debts as a justification for the violation of the sovereignty of an independent State. The said theory, however, could not be used as a pretext for the non-fulfillment or annulment of obligations on the part of the countries that are debtors.

The Sino-Japanese conflict has no point of contact with the Drago Doctrine because the struggle between the Railway Garrison and Chinese soldiers in Manchuria, and the military occupation of certain points after the battles that took place between Chinese bandits and Japanese troops, are not actions answering the purpose of forcing the fulfillment of financial obligations, but protective action on behalf of Japanese life and property in Manchuria. They constitute acts of defence on the part of the Imperial troops and, at the same time, acts of defence on the part of the police guarding the Manchurian railway lines.

Japan is a creditor of China for an enormous sum of money, and although just now we do not remember the exact figures corresponding to loans contracted during 50 years, since 1874, it might be calculated at, more or less, 390,000,000 yens, including the indemnification that the Chinese government owes

Japan.

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

-3-

Japan. China has not yet fulfilled this obligation; moreover, it established boycotts eight or nine times since 1909 against Japanese products. Consequently the latter products lost the Chinese market and adverse acts have spread to such an extent that the Chinese refuse to supply the raw materials that they are asked for, in order to destroy Japanese industries and thus provoke a crisis in the economic life of Japan.

This attitude of the Chinese, according to their own statements, answers the purpose of inciting Japan to carry out a social uprising and to overthrow its authorities with the intention of cancelling or annulling unilaterally all that China owes Japan; we consider this a plot originated by communists.

Notwithstanding, Japan, has not yet taken any compulsory measures to bring about the mere fulfillment of the said obligation, but, on the contrary, it postponed them with the object of contributing towards a financial arrangement until the proper time comes to settle matters. We have invested the indemnification of the BOXERS in works of promotion and development of culture in China. Of course we have not mentioned our loans even once in justification of the action of our troops in Manchuria.

If the Drago Doctrine were applied to the Manchurian conflict, it would make it appear as though Japan were taking measures to force China to fulfill its financial obligation. Such statements distort the true aspect of the conflict, even as opinions based upon them do not contribute to solve the problem but, on the contrary, lead to erroneous precedents of international laws.

In conclusion, our troops in Manchuria are acting in defence of the important rights which belong to Japan in virtue

of

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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

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international treaties as well as in defence of the life and property of its nationals and its firms.

Seeing that those actions do not impose the extortionate fulfillment of its obligations on the part of China and its subjects, as we have just explained, the Matos' proposition, which obstructs the progress of the labor of the Council of the League, can be considered inappropriate, and if it were not made through the organ of the League, it could be considered as a wrong understanding of the Manchurian question."

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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

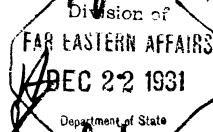
No. -----

AMERICAN CONSULATE

Mukden, China, November 19, 1931.

DEC 21 31

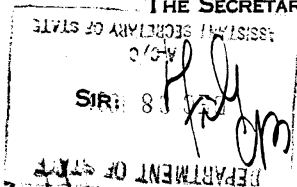
SUBJECT: Japanese Demonstration at Mukden.



THE HONORABLE


THE SECRETARY OF STATE,

WASHINGTON.



I have the honor to enclose herewith a copy of
my despatch No. 488, to the Legation, Peiping, China,
dated November 17, 1931, on the above subject.

Respectfully yours,


M. S. Myers
American Consul General.

Enclosure:

Copy of despatch No. 488.

MSM:HTW
800

F/DEW 793.94/3276

FILED
JAN 5 - 1932

No. 488

AMERICAN CONSULATE GENERAL

Mukden, China.

November 17, 1931.

SUBJECT: Japanese Demonstration at Mukden.

The Honorable

Nelson Trusler Johnson,

American Legation,

Peiping, China.

Sir:

Referring to my telegram of November 15, 8 p.m.
in regard to a patriotic demonstration of the Japanese
at Mukden on that day, I have the honor to report briefly
on this subject.

The demonstration was held under the auspices of the
Whole Manchuria Japan League. It consisted of a parade
in two sections, one on foot and the other in motor busses,
cars and on bicycles. The first section marched only
through the Japanese and Commercial Settlements while the
other section also went into the city. The demonstrators
comprising students from Japanese schools in South Man-
churia, railway employees, representatives of public bodies
and others, altogether about 10,000 in number, first
offered a prayer at the Mukden Shrine, Railway Settlement,
and then paraded the streets singing songs and shouting
slogans as directed by each column leader. The demonstra-
tion was most minutely organized and very orderly.

In

- 2 -

In the parade were a few Chinese, members of the Chinese Chamber of Commerce in the Railway Settlement, members of the Chinese Swastika Society, and others, numbering altogether about 250. Except for school children, the Chinese appeared embarrassed and ill at ease in the opinion of some observers.

As reported in the Japanese press, over 15,000 handbills with legends in Japanese or Chinese were pasted on walls and noticeboards throughout the city and settlements. A few typical ones may be of interest: "League of Nations raise your eyes"; "Do not go to extremes, Mr. Cecil"; "We are friends of the people of the three Northeastern provinces"; "Let us protect the peace of the Far East"; "What about the 2000 Japanese killed in the present crisis"; "There is nothing to fear from the League of Nations"; "The government has been formed for the salvation of the people"; "Congratulations on the formation of this new government". The three slogans that were shouted by the paraders were: "Decide to increase the Japanese forces", "Guard Manchuria and Mongolia" and "Awake the League of Nations from its dreams".

The object of the demonstration was obviously twofold, first to call to the attention of the world the opposition of the Japanese residents of Manchuria to the attitude of the League of Nations toward Japan's policy in Manchuria and secondly to manifest wholehearted support of a strong policy in Manchuria. As indicated by the mottoes on some of the posters, especially those in Chinese, the demonstration also partook of the character of a celebration of the public assumption by the Peace Maintenance Committee of the functions

- 3 -

functions of the provincial government, in which the Chinese shopkeepers and Chamber of Commerce were expected to participate, whether to manifest their pleasure at this exhibition of Japanese influence or to create an impression of a growing "Sino-Japanese solidarity" is not clear. At any rate, shopkeepers were obliged to display banners with the characters "In celebration of the taking over control of the Government" while the Chinese Chamber of Commerce, also under pressure, held a meeting at which the Acting Chairman of the Chamber and Chairman Yuan Chin-k'ai made brief speeches. After expressing himself as being puzzled over the celebration, Mr. Yuan briefly sketched the expansion in the duties of the Committee, ending with the statement that the Committee had taken over the functions of government under compulsory circumstances.

Besides the street demonstration mentioned above, the Japanese broadcasted a special program in the evening from the former Chinese broadcasting station at Mukden which through a hook-up with the Nagoya station was broadcasted all over Japan. General Honjo is reported to have been one of the speakers and to have briefly reviewed the situation in Manchuria.

Respectfully

1-4-0235
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

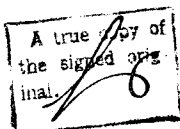
- 4 -

Respectfully yours,

M. S. Myers.
American Consul General.

Original and one copy to Legation.
Five copies to Department.
Copy to Embassy, Tokyo.
Copy to Consulate General, Harbin.
Copy to Consulate, Dairen.

MSM:AAB
800.



1240
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

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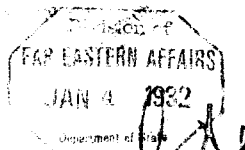
Copy for Department

DCR

American Consulate, Foochow, China, December 4, 1931

STRICTLY CONFIDENTIAL

Walter A. Adams, Esquire,
American Consul General,
Hankow.



793.94/3277
Sir:

There is enclosed as of possible interest
a copy of this Consulate's despatch No. 60,
dated November 23, 1931, to the Department of
State concerning Dr. Sherwood Eddy's visit to
Foochow.

It is this office's understanding that
Dr. Eddy will hold a campaign in the Wuhan
area from January 12 to January 18, 1932.

Very truly yours, ✓

Gordon L. Burke
American Vice Consul

Enclosure:

Despatch as stated.

Copy to Department.
Copy to Legation.

F/DEW

F.W. 793.94/3277

161
[Signature]

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Lustigsm NARS, Date 12-18-75

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GLB:HCY

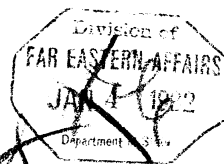
Copy for Department

DCR

American Consulate, Foochow, China, December 4, 1931.

STRICTLY CONFIDENTIAL

793.94/3277
Edwin S. Cunningham, Esquire,
American Consul General,
Shanghai.



Sir:

There is enclosed as of possible interest
a copy of this Consulate's despatch No. 60,
dated November 23, 1931, to the Department of
State concerning Dr. Sherwood Eddy's visit to
Foochow.

It is this office's understanding that
Dr. Eddy will hold a campaign in Shanghai
from December 7 to December 13, 1931.

Very truly yours,

Gordon L. Burke
American Vice Consul

Enclosure:

Despatch as stated.

Copy to Department.
Copy to Legation.

F/DEW
F.W. 793.94/3277

A true copy of
the signed original
Hy

NO. 60

PM RECD



AMERICAN CONSULATE,

Foochow, China, November 23, 1931.

Division of

FOR EASTERN AFFAIRS

DEC 22 1931

Department of State

DEC 21 31

793.94
DE. SUBJECT: Sherwood Eddy's Visit to Foochow, China.

1-1066 GPO

THE HONORABLE

THE SECRETARY OF STATE,

WASHINGTON.

SIR:

see 893.00 P.R.
Trenton/41

I have the honor to make the following report concerning Mr. Sherwood Eddy's recent visit to Foochow. There are enclosed copies of three telegrams, a letter, and resumes of three articles appearing in the local vernacular press with regard to his public statements.

The affidavit which Mr. Eddy sent to the League of Nations received publicity in the local vernacular press prior to his arrival in Foochow. The fact that this affidavit was made under the seal of an American Consulate led many local Chinese to believe that the statements contained therein had the sanction of the American Government. Owing to Mr. Eddy's stand on the Manchurian situation he was naturally extended a very warm welcome by all Chinese both officials and civilian. His failure, however, to confine the scope of his lectures to the Manchurian situation and his very strong public condemnation of Chinese official and civilian corruption, which

was

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-2-

was deemed by many Chinese unnecessary, caused a considerable change of public feeling towards him.

This Consulate informed Mr. Eddy upon his arrival that the local situation was tense (Foochow is one of the danger spots as it has a large Japanese community and is also near Formosa), and that the Provincial Government was bending all its efforts to prevent the students from causing any untoward incident, whereas the Tang Pu (Party Headquarters) was doing exactly the opposite. He was advised not to stir up the students or other irresponsibles by dwelling on political subjects as by so doing he would throw the weight of his influence with the Tang Pu and not the recognized authorities, the Provincial Government. He was further informed that should he decide to mix politics with religion and welfare work and succeed in stirring up the irresponsibles elements, he would not be the sufferer, as he was leaving for other parts almost immediately, but that resident Americans, for whose safety this Consulate is responsible, would be left to bear the brunt. He was cautioned to be guarded in his public utterances as he was a visitor in a foreign country.

Mr. Eddy stated that he felt it his duty to send out the telegrams on the Manchurian incident as he was the only man on the spot whose hands were not tied by their positions, either official or commercial. He further stated that he was responsible to no one, being

-3-

a free man, and so could express himself freely.

The Y.M.C.A. and an American missionary institution gave publicity to Mr. Eddy's telegram to the League of Nations on the Manchurian situation in order to attract the populace to his lectures. They thus used political problems to further their religious and moral aims.

Respectfully yours,

Gordon L. Burke

Gordon L. Burke,
American Vice Consul.

Enclosures:

1. Copy of Mr. Eddy's telegram to Ramsay MacDonald, etc.
2. Copy of Mr. Eddy's letter, dated November 6, 1931.
3. Resume of article appearing in the November 11, 1931, issue of the Tung Fang Jih Pao.
4. Resume of an article appearing in the November 13, 1931, issue of the Hsin Fukien Newspaper.
5. Resume of an article appearing in the November 16, 1931, issue of the Hsin Fukien Newspaper.
6. Foochow Consulate's telegram, dated November 17, (1931), 3 p.m. to the American Consuls at Swatow and Amoy.
7. Foochow Consulate's telegram, dated November 23, (1931), 2 p.m. to American Legation, Peiping.

700
GLB:ETH

In quintuplicate.
Copy to the Legation.

Enclosure No.1 to despatch No.60 of Gordon L. Burke,
American Vice Consul, Foochow, China, dated November 23,
1931, on the subject of Sherwood Eddy's visit to Foochow,
China.

"I WAS PRESENT AT THE CAPTURE OF MUKDEN.
THE EVIDENCE OF MANY WITNESSES INTERVIEWED AT
THE TIME AND ON THE SPOT POINT TO A PREMEDITATED
AND CAREFULLY PREPARED OFFENSIVE PLAN OF THE
JAPANESE ARMY WITHOUT THE PROVOCATION OF ANY
CHINESE ATTACK PRODUCING BITTER RESENTMENT WHEN
CHINA IS SUFFERING WITH FLOOD DISASTER AND THE
WORLD IS PREOCCUPIED. THE JAPANESE TROOPS
HAVE NOT WITHDRAWN BUT ALL STRATEGIC POINTS IN
SOUTHERN MANCHURIA ARE STILL HELD BY THE
JAPANESE AND CHINCHOW WAS BOMBED.

"I TESTIFY TO EVIDENCE OF EFFORTS TO
ESTABLISH PUPPET INDEPENDENCE GOVERNMENTS IN
MANCHURIA UNDER JAPANESE MILITARY CONTROL.

"I HAVE FORWARDED A SWORN STATEMENT OF
INTERVIEWS WITH CHINESE LEADERS IN MANCHURIA
WHO TESTIFY TO REPEATED PRESSURE OF THE JAPANESE
TO INDUCE THEM TO LEAD INDEPENDENCE GOVERNMENTS.
THE UNIVERSAL INDIGNATION IN CHINA IS TAKING THE
FORM OF AN ECONOMIC BOYCOTT WHICH THE GOVERNMENT
CANNOT CONTROL. THE SITUATION IS CRITICAL AND
GRAVE DEVELOPMENTS ARE IMMINENT. ALL THE ORIENT
IS LOOKING TO THE LEAGUE OF NATIONS AND THE
KELLOGG PACT SIGNATORIES FOR ACTION. ASIA
BELIEVES THAT THE LEAGUE AND THE PACT ARE ON
TRIAL AS WELL AS JAPAN AND CHINA.

"A NOTABLE TURNING TOWARD SOVIET RUSSIA AS AN
ALLY AND COMMUNISM IS DEVELOPING POINTING TOWARD
FALL OF NANKING GOVERNMENT AND WIDESPREAD COMMUNIST
ANARCHY IF LEAGUE AND PACT FAIL IN THIS SUPREME
CRISIS AND DANGER OF WAR." (SHERWOOD EDDY)

Enclosure No.2 to despatch No.60 of Gordon L. Burke,
American Vice Consul, Foochow, China, dated November 23,
1931, on the subject of Sherwood Eddy's visit to Foochow,
China.

November 6, 1931.
On the China Sea.

My Very dear Brothers in Christ
In Japan and Chosen:

I understand that you have quite naturally been troubled over reports of my cable to the League Council re. the Manchurian Crisis. I am sorry to give you pain even for a moment. Every year my admiration and affection for your great people has grown, along with my increasing concern for the sad plight of China, which has been sinking in moral corruption, political disintegration and the growing menace of Communist anarchy. To help meet this crisis I have come to the Far East this year.

A clipping from a Japanese and Seoul paper reports me as cabling that the offensive plans of the Japanese army were "Without any provocation from China." This I did not say. There had been, alas, many very exasperating provocations, several hundred pin pricks, insults, treaty evasions and actions of the Chinese that were unjustified, stupid or maddening to the Japanese. This of course is quite understandable from a people who believe that their territory is being steadily taken from them.

I did say it was "without the provocation of any Chinese attack" upon the railway on the night of September 18, which is very different. Of course I have retired from all connection with the Y.M.C.A. or similar organizations, but it is as natural and inevitable as it is unfortunate that my name should still be connected with this great Christian organization.

I enclose a copy of the cable I did send to Geneva, London and New York. I am sorry that I felt compelled to say this and send this. Every one else in Moukden at the time was bound by official position to silence. My cable represented the almost unanimous opinion of all neutrals whom I met in Manchuria. I felt that some one must say it at any cost.

As you know I am by conviction a Christian pacifist who has served notice upon his own government that he will not fight the battles of her militarists. I regard militarism whether in America or Japan or the world, as a menace.

The spear-point of militarism for the world happens at the moment to be in Manchuria. February next at Geneva it bids fair to be in France. If unchecked both will lead in my judgement, to world war and a fresh crop

-2-

of Communist revolutions and Economic misery for millions. It is only an accident that the militarism of the moment which has come to the fore happens to be Japanese. But this is the seriousness of the situation as I see it:

On the maps of the world Manchuria is a part of China. If, in defiance of the League of Nations (by its votes of 13 to 1), of the Kellogg Pact, The Washington Nine Power Treaty, and the moral sentiment of the world, the military of one nation can seize all strategic points of a territory larger than England from a neighboring friendly power without a declaration of war, can continuously occupy that territory under martial law, practically under a state of war without organized resistance, bomb peaceful centers of civil government like Chinchow, refuse all offers and efforts at judicial settlement by mediation, conciliation or arbitration it is in my humble opinion a menace to the world in the following ways:

1. It has let loose elements of lawlessness and banditry in Manchuria and of the spirit of militarism (however dangerous and ineffectual) and of Communism throughout China, thus endangering the Central Government of China and the peace of the Far East.
2. It is driving China daily nearer to the arms of Soviet Russia (and of internal Communism) if neither the League nor Pact signatories can persuade Japan to withdraw her army of occupation and consent to a peaceful, non-violent settlement of the dispute without the threat of force by the Japanese Army.
3. It weakens and even threatens the Open Door Policy, the League Covenant, the Washington Nine Power Treaty, the Kellogg Pact, and the prestige and power of the League of Nations and of all world organization for peace; if the army of one nation can successfully defy the League and the world.
4. It palpably endangers the World Disarmament Conference in Geneva if all peaceful means of settlement now available to the World can be defied; and strengthens the militarists of France, America and the World in the conviction that the only security of each nation in a lawless and anarchic world lies in armament and military strength.
5. If successful, (i.e. if the army is not withdrawn but can dictate terms of peace to prostrate China) it will almost inevitably lead to the failure of the Disarmament Conference and to another World War, followed automatically by a series of revolutions, like that of Soviet Russia in 1917, with economic destitution and unimaginable suffering for millions throughout the World. The issue

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1243
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

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is thus not a "local" one but of vital concern to the whole world, to every lover of peace, to every Christian.

It is thus I have felt compelled to act whatever the consequences may be, or however much it may be misunderstood.

Regretfully, but very sincerely yours,

(Signed) SHERWOOD EDDY
20 Museum Road, Shanghai.

SE/Y

Enclosure No.3 to despatch No.60 of Gordon L. Burke,
American Vice Consul, Foochow, China, dated November 23,
1931, on the subject of Sherwood Eddy's visit to Foochow,
China.

A resume of an article from the Tung Fang Jih Pao
(東方日報). November 11, 1931.

NEITHER GOD NOR PERSONALITY CAN SAVE OUR COUNTRY.

God is abstract, while personality is more so.
If something abstract can save our country, why should
we criticize the Boxers for their using amulets to
evade the bullets of the Allied forces? Dr. Eddy says,
"God can save China." Mr. Cheng Shih-kuei (程時奎)
says: "The Salvation of Our Country lies in personality."
It is strange that in his lecture delivered in the Tien
An Church (天安堂), Dr. Eddy maintained his opinion
that "God can save China," but when he was invited to
give a speech in the Provincial Government Auditorium,
he changed his words, saying, "Personality can save
China." From this point of view, God and personality
are two things but of the same nature.

To check an overflow we use soil; to subdue flames
we use water. We have never heard when an overwhelming
army reaches a city that the people therein are still
carrying on great discussions about God and personality.
This is not much different from kneeling in front of
the cannon to pray to God for protection of our lives.
Nothing in the world is so sarcastic and strange as such
a theory.

Dr. Eddy criticizes the Chinese students, saying:
"They shout 'Down with Japanese Imperialism;' don't they
think that the Japanese are mocking at them?" Well, then
let us ask would not the Japanese laugh at us, when we

say,

Enclosure No.3 to despatch No.60 of Gordon L. Burke,
American Vice Consul, Foochow, China, dated November 23,
1931, on the subject of Sherwood Eddy's visit to Foochow,
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"They shout 'Down with Japanese Imperialism;' don't they
think that the Japanese are mocking at them?" Well, then
let us ask would not the Japanese laugh at us, when we

say,

-2-

say, "God save China!" Even though the slogan, "Down with Japanese Imperialism" will not do us much good, it is, however, an expression of certain strength, while the prayer, "God save China!" is but a feeble groan of the oppressed (nation). I do not mean that by shouting the slogan, we can save our country from Japanese aggression. This expression means that whenever the Japanese oppress us by bombardment, we should also bear arms to resist them. If we have no means to rely upon, then grapple with them barehanded. Dr. Eddy teaches us to pray to God and seek for assistance from personality, what is the difference between this and the call to Heaven for help when we are poor and the remembrance of our parents when we are sick. Such an act is but "to comfort ourselves after complete failure."

Should Japan change her object of attack to America instead of China, Dr. Eddy would then change his tone and urge his sons and grandsons to bear arms and throw away his own pen to fight to the end. Would he also say in prayer "God save America?" In other words, he looks upon China as being even inferior to a colony whose people are unqualified to offer resistance against foreign aggression. If we should keep silent, pray to God, and offer no resistance during the time of Japanese aggression, we would also do the same in the time of American aggression. Dr. Eddy's theory is an insult to the Chinese nation. I

cannot

1252
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

-3-

cannot understand why the Provincial Government extended him a hearty welcome.

Above all, let me speak a few words to the young men's volunteer corps, especially those in the missionary schools. Your sole mission is to save our country, resist Japanese aggression, rush forth to the front to kill our enemy - the only enemy who is attempting to massacre our Chinese nationals - the brutal Japanese troops! Keep your ears open to the command of our army; let no other voice attract your mind.

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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

Enclosure No.4 to despatch No.60 of Gordon L. Burke,
American Vice Consul, Foochow, China, dated November 23,
1931, on the subject of Sherwood Eddy's visit to Foochow,
China.

A resume of an article appearing in the Hsin Fukien
Daily News. November 13, 1931.

THANKS TO DR. SHERWOOD EDDY.

The subject of Dr. Sherwood Eddy's lectures are
"The Present World Movements and China's Great
Problem", and so forth. It is reported that Dr. Eddy
is one who loves China. He himself saw the present
Manchurian accident, and is in sympathy with the
Chinese. Under such circumstances every one of course
welcomed him and went to hear his speeches. People,
however, were discouraged because he could not give
them a clearer view of the world situation.

The main points of his speech are as follows:

China's Danger.
China's Weak Points.
Criticisms of the People's Movement.
China's Hope.

China's dangers are: Internal - the communist
party, bandits, militarists; from without - invasions
by Russia and Japan.

China's weak points are: The monopoly of militarists,
unfaithful officials, non-unity of her people, disloyalty,
and the spirit of depending upon others.

His criticisms of the people's movement are: That
slogans and patriotic talks are useless, as well as
waging war with Japan.

Neither Russia nor Japan can save China; China
must save herself. The Communists' projects are too
severe; the Japanese will only rob China. The way to

save

-2-

save China is to cause the officials to have a change of heart, and to arouse its people. He hoped that everyone would be a Gandhi; that is, to follow Christ.

We are sorry that he mentioned Gandhi for our example, since Gandhi has been subdued. Should he desire us to follow Christ, it is best for him to mention him to us directly, instead of through Gandhi. The above points he gave are of no worth, as every common man knows them.

Enclosure No.5 to despatch No.60 of Gordon L. Burke,
American Vice Consul, Foochow, China, dated November 23,
1931, on the subject of Sherwood Eddy's visit to Foochow,
China.

A resume of an article from the Hsin Fukien Daily News.
November 16, 1931.

THE LAST CALL FOR "RELIGIOUS PLASTER".

I had at first determined not to comment any
further on "Dr." Eddy, as what he said in the lectures
delivered these days is really not worth discussing.
However, because of the subject, "A Summary of his
(various) Lectures," which he selected for yesterday's
lecture and more because of its being the last of his
"grand style" speeches, I thought I might lose an
opportunity if I did not try to understand his noble
opinion. For this reason I again attended the meeting
yesterday afternoon.

After I had listened carefully to what he had to
say, I was rather surprised at the "conclusion" he
brought out "You should not think", he said, "that a
war will save China. If a war can save China, why
was she not saved in the Sino-Japanese War of 1894?"
The most outstanding points he dwelled upon were
threefold: 1. China needs unity. 2. Every Chinese
should have a noble personality. 3. Every Chinese
should have faith in religion. As to the question how
China can be united and how a man can attain a noble
personality, he gave no explanation at all. He did,
however, discuss faith in detail. "We should", he
said, "have faith in ourselves and in God". (He
emphasized this point by raising his voice.) "Mr.
Gandhi", he continued, "can save India, because he has

faith

-2-

faith in God. Mr. Edison became a great inventor, because he had faith in God. Dr. Sun Yat-sen became a great revolutionist, also because he had faith in God." Dwelling at length on a similar point he then persuaded people to have faith in religion and study the Bible. In addition he also advised them to buy their religious books. In the meantime, Mr. Wang Kan-ho (王幹和) came to the platform, saying, "These books are being sold cheap, only 60 cents a copy. If you wish to save China, buy these books." At last, he requested those who had faith in God and wished to save China by Christianity to remain for a short time, and let the rest retire at will. A majority retired. I also retired.

In short, somewhat like a juggler, Dr. Eddy first beats his drum and gong to attract the audience. Subsequent to this, he exhibits boxing and performs tricks to make a display of his skill. Then he brings out a plaster, crying aloud: "Buy in ordinary days, use it in the time of emergency, good for a wound either by sword or fire. Useful for a man worn out and overcome by an accumulation of troubles. When you buy a horse, you examine his legs; when you buy a plaster, look for my brand." The only difference is that the juggler sells his plaster for sword wounds, while Dr. Eddy sells a religious plaster. If Dr. Eddy were a juggler, Mr. Wang Kan-ho, the clergyman, would be the bearer of bucket, Ah San (阿三), who alone shouts "Hao, hao", (good! good!), when Dr. Eddy questions the

audience

253

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

-3-

audience whether the part he plays is good or not.
After the applause, he continues beating his drum,
Tum, Tum, Tum, but it is a pity that there is
nothing significant in what he has to say.

1254
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-12-75

Enclosure No. 6 to despatch No. 60 of Gordon L. Burke,
American Vice Consul, Foochow, China, dated November 23,
1931, on the subject of Sherwood Eddy's visit to Foochow,
China.

True reading of telegram sent to the American Consuls
at Swatow and Amoy by the American Consul, Foochow,
through the Chinese Telegraph Administration, Novem-
ber 17, 1931, 3 P.M.

AMERICAN CONSUL,
SWATOW AND AMOY.

NOVEMBER 17, 3 P.M. STRICTLY CONFIDENTIAL
SOME UNFAVORABLE REACTIONS FROM SHERWOOD EDDY'S
LECTURES WHILE IN FOOCHOW NOW APPARENT PERIOD
HIS BROAD COMMA HASTY AND PARTIALLY CONFIRMED
STATEMENTS ON THE MANCHURIAN SITUATION HAVE EX-
CITED THE STUDENTS AND OTHER IRRESPONSIBLES AND
HAVE NOT IMPROVED THE LOCAL SITUATION WHICH IS
ALREADY TENSE PERIOD HIS VERY STRONG PUBLIC
CONDEMNATION OF CHINESE OFFICIAL AND CIVILIAN
CORRUPTION DEEMED BY MANY CHINESE TO BE UNNECESSARY
HAS NOT BEEN VERY FAVORABLY RECEIVED PERIOD

BURKE

800

Coded: GLB

Copied: ETH

1258
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

Enclosure No.7 to despatch No.60 of Gordon L. Burke,
American Vice Consul, Foochow, China, dated November 23,
1931, on the subject of Sherwood Eddy's visit to Foochow,
China.

True reading of telegram sent to the American Legation,
Peiping, by the American Consul, Foochow, through the
Chinese Telegraph Administration, November 23, 1931,
2 P.M.

AMERICAN LEGATION,

PEIPING.

NOVEMBER 23, 2 P.M.

THIS CONSULATE IS RELIABLY INFORMED THAT SHERWOOD
EDDY GAVE IT OUT GENERALLY DURING HIS RECENT VISIT TO
FOOCHOW THAT MINISTER JOHNSON APPROVED THE AFFIDAVIT
WHICH EDDY TELEGRAPHED TO THE LEAGUE OF NATIONS CON-
CERNING THE MANCHURIAN INCIDENT PERIOD EDDY ARRIVES
IN CANTON ON NOVEMBER TWENTY-SIXTH PERIOD THE
LEGATION MAY DEEM IT ADVISABLE TO TAKE STEPS TO CHECK
EDDY FROM MAKING ANY INDISCREET REMARKS

BURKE

700

Coded: GLB

Copied: ETH

1260
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

DOCUMENT FILE

NOTE

793.94

SEE 894.00 P.R/48 FOR # 404

FROM Japan (Neville) DATED Dec. 4, 1931
TO NAME 1-1127 GPO

REGARDING:

Outline of military activities in Manchuria.

793.94 / 3278

ek

-4-

near Hsainin, whence the advance had begun. Japanese military leaders deny that the withdrawal of troops from the Chinchow region had any relation to the statement of the American Secretary of State, but the consensus of Japanese opinion is to the contrary. It must, however, be borne in mind that Chang had approximately 100,000 troops near Chinchow and 30,000 well armed troops in that city, a force which would have proved no easy opponent for the small Japanese contingent.

The latest news from Manchuria indicates that there is likelihood of further disturbances in the Tsitsihar region, where a small contingent of Japanese troops was left to guard the city. Some 8,000 Heilungkiang troops are reported to be preparing to advance on Tsitsihar.

The Japanese troops are reported to be suffering greatly from the unaccustomed cold of Manchuria. Frost bite has crippled a number of men.

This, in bare outline, is the sequence of military activities in Manchuria. One or two details must be added to complete the picture. Mention must be made of Soviet Russia in this connection.

No. 61

REPORT OF CONDITIONS IN JAPAN

DURING THE MONTH OF NOVEMBER, 1931.

Hardly a day passed in November in which the jingle of bells of gorai (extra) newsboys was not heard. The one matter that has occupied the attention of the whole Japanese nation has been the Manchurian situation. Lesser news has been crowded out of public mind and out of the press by the all-absorbing news from Manchuria. Even an important domestic political manoeuvre, which ordinarily would have caused wide sensation, received comparatively small attention in the press.

I. POLITICAL RELATIONS WITH THE UNITED STATES.

Nothing to report.

II. POLITICAL RELATIONS WITH OTHER COUNTRIES.

Military Movements in Manchuria.

The first of November found the Japanese in control of all the points occupied during the first outbreak of hostilities in Manchuria, except Tunhua, and with Chinese opposition concentrated at two points. In the North, the Heilungkiang Army, headed by General Ma Chan Shan loomed as a menace to the Japanese, and in the south, near Chinchow, the forces remaining loyal to Marshal Chang Hsueh Liang were concentrating.

General Ma had concentrated approximately 20,000

troops, including the remnants of the Kirin Army, in the vicinity of Tsitsihar, and encouraged, the Japanese believed, by Marshal Chang, was preparing for an attack on the Japanese. He had refused to consider the Japanese demand to repair the Taonan-Anganohi railway bridge over the Nenki River, destroyed by his own troops, which the Japanese deemed essential to the protection of a property financed by Japanese funds. Japanese engineers were sent to repair the bridge, and an advance guard was posted to protect the bridge. This guard was attacked by the Chinese troops on the 3rd, and an engagement resulted in which there were severe fighting and heavy casualties on both sides. The Japanese, with the aid of reinforcements, succeeded in putting the Chinese to flight, and the routed army retired in disorder toward their base at Tsitsihar, on the 5th and 6th. Hereafter, for a few days, the situation remained comparatively quiet, except for occasional skirmishes, during which time the Japanese brought up reinforcements to make a total of approximately 1,000 troops, mostly of the 2nd division, stationed around Tahsing.

Overtures were made by the Japanese looking to a settlement of the local situation, but were refused by General Ma. Whereupon the Japanese attacked, and with airplane and armored motor cars engaged the Chinese at a point north of Tahsing. This was on the 17th. By the following day the Japanese had swept through the Chinese defence, seized Anganohi, crossed the Chinese Eastern Railway and occupied Tsitsihar, putting the

Heilungkiang

Heilungkiang army to complete route.

With Mukden, Kirin and Tsitsihar under control, only one provincial capital in Manchuria, Chengtieh (Jehol) just north of the Great Wall, remained independent of the Japanese. The defeated Heilungkiang army scattered in all directions, while General Ma fled to Hallung with a remnant of his army. The Japanese left a small contingent of Japanese troops on guard in Tsitsihar, and moved the main force toward Mukden in anticipation of hostilities in the south.

In the meantime on the southern "front", the Chinese troops loyal to Marshal Chang were being reinforced by men and equipment. The activity of the troops in this area caused the Japanese to move their forces southward from Mukden, and on November 24 and the days succeeding, the Japanese advanced toward Chinchow. The Japanese military leaders stated at the time that this advance was only for the purpose of driving out bandits, but admitted that an attack on Chinchow might become necessary. The Japanese representative at the League Council at Paris had formally declared that the Japanese army would not attack Chinchow, but in spite of this assurance the steady advance of Japanese troops aroused the gravest apprehension.

Additional troops were sent from Mukden, and an advance began from Hailin to Faichingao, where fighting was encountered with Chinese troops. From there the advance continued to Tukushan and then to Koupantse, 35 miles from Chinchow. At Koupantse the advance was halted by orders from Tokyo, and on November 28 the troops began to withdraw to eastward of the Liao river.

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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

RADIOGRAM

BFS

10 WVY

November 11, 1931.

9:30 A.M.

From Manila,

To The Adjutant General.

Manila Number 5219. November 11th.

AG 336 Tientsin, China (11-11-31)

Paragraph 1. Following from Commanding Officer, U.S. Army

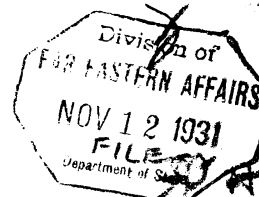
Troops in China. "Night of November 8th about 10 P.M. Chinese plain clothes men attempted to enter Chinese city at point near Japanese concession. Chinese police made efforts to capture these men and fired on them. Firing was in direction of Japanese concession and caused Japanese to occupy defense lines on boundary. Firing continued and about 4 A.M. Japanese called on Chinese Government to have police withdrawn to point 300 meters from Japanese boundary by 6 A.M. This was not complied with and Japanese opened fire and Chinese police were then withdrawn. Some firing during day. Chinese moved from Japanese concession and Japanese from Chinese areas on 9th. All quiet night of 9th and 10th. Traffic in Japanese concession reduced to minimum and every precaution taken to prevent undesirables entering concession. Chinese meeting. All stores closed at night and very little movement during day. Everything seems quiet now. No indication that Chinese soldiers were involved. Other nationals not affected. It has been reliably reported that Japanese are moving their women and children from Japanese concession by boat to Japan."

x

x

x

Hines



F/DEW

793.94/3279

RECEIVED
DEC 21 1931

126
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

MET

FROM

GRAY

COPIES SENT TO
O.N.I. AND M.I.D.

Peiping via N.R.

Dated December 21, 1931

Rec'd 1:20 p.m.

Secretary of State,

Washington

1113, December 21, 8 p.m.

Following from American Consul General at Mukden:

"December 21, 2 p.m.

One. Headquarters reports that the first railway
battalion was sent this morning from Supinekai to
clear out 7000 bandits in the Changtu, Faku region.

Two. An official reception in celebration of the
formation of the Provincial Government was held yester-
day".

Repeated to Nanking.

(KLP-CSB)

For the Minister,
PERKINS

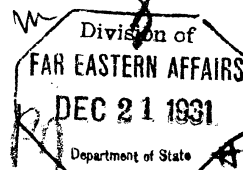
F/DEW

793.94/3280

793.94
note
894.23

Division of
FAR EASTERN AFFAIRS
DEC 21 1931
Department of State

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

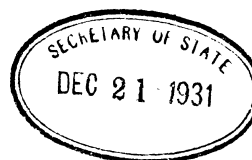


Tokyo, Japan, December 1, 1931.

Confidential.

RECEIVED

DEC 19 1931



SECRETARY'S OFFICE

My dear Mr. Secretary,

993.94
There seems to have been an absolute comedy of errors in regard to the recent exchange of cablegrams and evidently very dirty work at the cross roads on the part of the representative of the Associated Press in Washington. I hope that whoever was responsible has been properly disciplined.

As the matter was so vitally important I have cabled the whole story so fully that it leaves very little essential material to be added in a letter.

Baron Shidehara has been most suave, absolutely genial and very cordial to me. He has greeted me smilingly, never raised his voice, talked with the utmost frankness. But he was greatly disturbed the day your purported interview came out, as he said it made his position impossible and untenable. He actually took his head in his hands.

It seemed absolutely amazing to me that the final statement given out by his official spokesman should have gone out without Baron Shidehara's knowledge. At the same time, in view of his frankness, I don't doubt his word but it still seems to me very surprising that it could have gone out without his seeing it, and that if he had seen it without his saying anything to me about it.

When

F/DEW 793.94/3281

CONFIDENTIAL FILE

- 2 -

When I got back to the office that night and while I was writing my account of the interview to you, Mr. Vaughn of the United Press came in with a typewritten copy of the memorandum as given out, and a copy of which I am enclosing herewith for your information (Exhibit 1).

Upon receipt of your two telegrams yesterday, Nos. 247 and 248, I asked to see Baron Shidehara, and although it was Sunday he was in his office; and I saw him and gave him the purport of your message. He was much calmer than the day before.

At Vaughn's suggestion, I had issued a statement (Exhibit 2) which appeared on the front page of the Japanese papers, I am told, asking the public to suspend judgment and await with calmness any verification of the telegrams, as I thought surely there had been some mistake made. Your denial of the interview was run out on the streets as an extra (Exhibit 3) by the Japanese papers Sunday morning, and when I spoke to Baron Shidehara that afternoon about the statement of the Foreign Office he denied that the Office had sent out any statement. As it was in all the papers, and and on the front page of the Japan ADVERTISER, it seemed rather amazing to me that he had not heard of it. I asked him to send for a paper, which he did, and gave him the column to read, which he read through in silence, his usual smile fading from his face as he read. He then spoke of the statement which he told me he had given out the afternoon before, in which he said, as I have cabled you: that he did not believe the interview, that it wasn't at all like what he knew of you to say those things in that way (here again I am paraphrasing) I imagine that Mr. Shiratori, the official spokesman was in for a bad time when his chief got

- 3 -

got hold of him. Later in the afternoon I learned that they had withdrawn the statement. (Exhibit 4.) Baron Shidehara said that he never would have authorized any such language - it was not his manner of doing things - , which is true. I must confess that when I read it I was astounded; it was so intemperate in tone and I could only explain it, as I did in my telegram, by imagining the situation was so tense between Baron Shidehara and the Military that he felt a measure as strong and extreme as this was required to meet the situation.

Frankly, I am greatly relieved the way the thing has turned out. Saturday morning I was convinced that Japan had driven China to a point where war was about to be declared and that the fat was about to be put in the fire. Now, at last, I see a little daylight and I think things are straightening out. I think the episode has done some real harm, and I don't doubt the Associated Press by this time realize what a serious thing it is to distort in the way they did a situation fraught with such momentous potentialities.

We have been subjected to no indignities; there have been no threats of violence in or about the Embassy or Chancery; and there have been no unpleasant incidents. The City is maintaining a couple of policemen about our grounds, I think purely as a precautionary matter, however.

I am told that the Army broadcasted some rather anti-American remarks the night before last. (Exhibit 5.) And I see the Japan TIMES is running chapters of General Saito's book in which he declares war between the United States

- 4 -

States and Japan is inevitable, and that America is the natural enemy of Japan; these being copied from the Seattle Post-Intelligencer - a Hearst paper - all of which is designed to stir up unnecessary trouble.

(Exhibit 6 - Copy of Memorandum dictated by Vaughn of the United Press in re Press Memorandum given out in Mukden.)

Respectfully yours,

W. Cameron Forbes

W. Cameron Forbes

STATEMENT BY MR. VAUGHN OF THE UNITED PRESS.

November 28, 1931.

On November 27th about eleven o'clock in the morning General Honjo, Commander of the Kwantung garrison, informed a United Press correspondent in Mukden that the Army had decided upon a general advance because of the fighting between Chinese and Japanese forces at Tientsin. The general's statement did not say in what direction the advance would go, but he indicated upon being questioned that the movement of troops started at four o'clock in the morning.

Shortly after this reports came of fighting along the Peking-Mukden Railway to the southwest of Hsinmin-fu. The United Press office in Tokyo immediately asked the General Staff for an explanation of General Honjo's statement. The spokesman for the War Office said the general must have been misquoted, -- that he could not have made such a statement because the General Staff, the Government, and the Kwantung command were in complete agreement that no advance upon Chinchow should be undertaken.

The correspondent informed the War Office he had reports of extensive fighting along the Peking-Mukden Railway and asked for an explanation of this situation if there was to be no advance on Chinchow. The War Office said that it would be proper to officer an explanation later.

At eleven o'clock at night General Kanaya, Chief of the General Staff, said by telephone that it seemed true that an advance had occurred along the Peking-Mukden

- 2 -

Mukden Railway, but that he had instructed General Honjo to withdraw his troops to their original positions. This meant the positions occupied November 24th, namely, around Hsinminfu.

During the morning of November 28th General Honjo issued a new statement to the United Press correspondent in Mukden, in which he said he had ordered a general withdrawal of his troops into the South Manchuria Railway zone. Asked for an explanation of this statement, he said it was his plan to withdraw his troops into the zone "as soon as possible," which probably would be within a few days. This statement was telegraphed to Tokyo and immediately was questioned by the United Press office, which pointed out that a withdrawal of troops into the railway zone would mean restoration of the status quo ante. General Honjo then elaborated his statement and said that he was withdrawing at once the majority of his troops and that sufficient detachments would remain to hold the positions of November 24th. This statement was taken to the General Staff, and General Kanaya has offered this explanation:

It seems true that General Honjo did order an advance in the direction of Tientsin along the Peking-Mukden Railway by direction of Chinchow early on the morning of November 27th. This order apparently was given in a moment of excitement when the Kwantung Army thought it was necessary for them to go to the succor of their distressed brethren in Tientsin. As soon as news of this advance reached Tokyo and was confirmed by the War Office, the Chief of the General Staff ordered an

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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

- 3 -

an immediate withdrawal to the positions originally
held.

* * * * *

DEPARTMENT OF STATE

DIVISION OF COMMUNICATIONS AND RECORDS

Dec. 30, 1931

F.E.

Mr. Hamilton:-

Letter of Dec. 1st referred
to (file no. 793.94/3281) was
tallied to F.E. on Dec. 21, 1931
and apparently has not as
yet been returned to
L.C.R.

246
Mr. Webb

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

Dec. 30.

L.C.R.:

Please attach to
letter of Dec. 1 & return
to F.E.

M. M. H.

793.94/3281
(Conf.)

F.E. on
12-21-31

Dec. 30

B-

Do you know
where the
letter is?
SPS file?
H.

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
 Department of State letter, August 10, 1972
 By Milton O. Gustafson NARS, Date 12-18-75

DEPARTMENT OF STATE

DIVISION OF COMMUNICATIONS AND RECORDS

Dec. 31, 1931

F.E.

Mr. Hamilton:-

Letter of Dec. 1st referred
 to (file no. 793.94/3281) was
 mailed to F.E. on Dec. 21, 1931
 and apparently has not as
 yet been returned to
 L.C.R.

(246)

D.E.W.
Mr. Webb

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

Dec. 30.

L.C.R.

Please attach to
 letter of Dec. 1 & return
 to FE.

M. M. H.

793.94/3281
(info)F.E. on
12-21-31

Jan. 6
 B.
 Are there
 enclosures worth
 sending to RSM
 & SMH & to the
 Secretary? Should
 they be summarized?
 Please do the
 necessary. W.

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

January 12, 1932.

~~M.~~
~~H.~~

The attached are the enclosures to Ambassador Forbes' letter in regard to the AP statement of Secretary Stimson's interview with reference to Baron Sridehara's assurance that the Japanese would not attack Chinchow. They are

1.- Statement issued by Foreign Office Spokesman to a Press Representative on November 28, 1931, in which Secretary Stimson is accused of having flown "into fulminations".

2.- Ambassador Forbes' statement to the press, requesting that judgment be reserved until an official version of Secretary Stimson's interview shall have been received.

3.- Press reports of Secretary Stimson's denial of the AP interview as reported.

4.- Public statement of the Japanese Foreign Office, stating that reports that Secretary Stimson censured the Japanese attitude in connection with the Chinchow affair are mistaken.

5.- War Department's statement in regard to Secretary Stimson's remarks, clarifying the War Department's attitude and stating that its decision

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DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Lustigson NARS, Date 12-18-75

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

-2-

to withdraw its troops west of the Liao River
had no relation whatever with the United States.

I do not think it necessary for anyone
to read the attached papers.

RFB/
13

1278

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton G. Gustafson NARS, Date 12-18-75



EMBASSY OF THE
UNITED STATES OF AMERICA

FE

File

The attached documents are Exhibits 1,
2, 3, 4 and 5, which should have been included
with, but were omitted from, the letter of
793.94 / 3281 (Conf.)
December 1, 1931, from Ambassador Forbes to
Secretary of State Stimson and sent by the last
pouch.

Tokyo, Japan, December 7, 1931.

F/DEW
FW-793.94/3281

CONFIDENTIAL FILE

NOV 15 1932

EXHIBIT 1.

Statement issued by Foreign Office Spokesman
to a Press Representative on November 28, 1931.

Mr. Stimson's precipitate action in disclosing the confidential exchanges between Mr. Forbes and Baron Shidehara is received here with mingled surprise and regret. He is reported to have said that he was unable to understand reports of Japanese troops approaching Chinchow and that State Department despatches threw no light on the situation. On what basis, then, did he fly into such fulminations as reported by the Associated Press? If a man in such an important position loses his head at such a critical moment as the present, the consequences would be very grave indeed.

Mr. Stimson's statement to the American press is not only unfortunate in manner, but even more so in matter. It contains serious accusations against Japan and its motives. The Japanese Government is expected to make a public statement refuting all of these accusations after it has referred the matter to Ambassador Debuchi for further information. In the meantime, it would be well to point out several aspects.

He said Japan had expressed regret and said it would not happen again, referring to the fall of one city after another. This is misleading. Japan has never expressed regret to anyone for actions forced upon her in sheer self-defence, nor can she promise not to act in self-defence again. Mr. Stimson said the Japanese army in Manchuria

was

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DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

- 2 -

was running amok. This is considered a very bold statement, and I wonder if he considered the meaning of the word before using it. He contended Japan intends to take Manchuria completely. He ought to give reasons for thinking so.

EXHIBIT 2.

Statement to Press:

November 28, 1931.

In the absence of exact information, the Embassy is unable to make any statement on the alleged interview with the Secretary of State. It is hoped that the situation will be viewed calmly by the public, until the receipt of official reports which it is hoped will clear up any misunderstanding.

(Signed) W. Cameron Forbes

EXHIBIT 3.

Denial by Mr. Stimson of Interview as published
in Japan.

(Tokyo NICHU NICHU's Extra Edition of
November 29, 1931.)

(Washington, November 28th - Nippon dempo
Service.)

Early on the morning of November 28th (on the evening of November 28th, Japan time), the Washington Government received a Tokyo telegram reporting that a great sensation was aroused in official and private circles of Japan on receipt of a telegram through a certain channel stating that Mr. Stimson, Secretary of State, recognizing that Japanese troops intend to attack Chinchow and understanding that Japan has ignored her pledge given the United States of America to refrain from attacking that place, is going to assume a resolute attitude against Japan by disclosing details of confidential conversations held between diplomatic representatives of Japan and the United States of America. The above Tokyo telegram has greatly surprised Mr. Stimson who, after reading the telegram carefully, proceeded at 9:58 A. M. to the White House where he had a three-hour conversation with President Hoover. Returning to the Department of State, Mr. Stimson at once issued a statement denying that -

1 - The Secretary of State has recognized that Japan has such intention as to place Manchuria under her control by ignoring all international treaties and conventions.

2 - The Secretary of State has regarded actions of Japanese troops as being fanatic.

- 2 -

3 - The Department of State has charged the Japanese Government regarding the above matters.

Washington, November 28th (a special telegram to the NICHU NICHU).

Regarding Mr. Stimson's statement on Japan's attitude, Mr. Stimson made the following statement to a group of newspaper representatives:

The fact that Mr. Stimson did not make a statement as to assume a resolute attitude against Japan is clear from stenographic records taken by newspaper representatives during the interview with him on November 27th. Mr. Stimson then permitted the publication of stenographic records which read as follows:

On November 23rd, Mr. Stimson asked the United States Ambassador in Tokyo to convey to Baron Shidehara, Minister for Foreign Affairs, the following:

Mr. Stimson has read with great concern a newspaper information indicating that the commander of the Japanese troops is planning to undertake military operations against Chinese troops in the neighborhood of Chinchow. Mr. Stimson trusts that the above information has no foundation whatever.

Regarding the above, Baron Shidehara on November 24th made the following reply to the Washington Government through Ambassador Forbes:

General Minami, Minister of War, General Kanaya, Chief of the Staff Office, and Baron Shidehara are agreed not to take any hostile action against Chinchow. This agreement

was

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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

- 3 -

was communicated to commander of Japanese troops in Manchuria. In view of this fact, Mr. Stimson could not place any confidence in the report that General Honsho, Commander of the Japanese troops in Manchuria, has issued instructions to his troops to advance upon Chinchow.

EXHIBIT 4.

Public Statement made by Foreign Office.

(Published in all newspapers of November 30, 1931.)

Reports that Secretary of State Stimson censured the attitude of Japan in connection with the Chinchow affair are mistaken. He has announced that reports of his having stated that the authorities of the Japanese Foreign Office, with the consent of the military authorities, gave a pledge not to attack Chinchow and that the Japanese Government had expressed regret regarding military actions in Manchuria to the United States Government are entirely without foundation.

EXHIBIT 5.

Broadcasting of War Department's statement
concerning Mr. Stimson's remarks.

(Tokyo HOCHI, November 30, 1931.)

Regarding Mr. Stimson's denial of his statement made to newspaper representatives in Washington on November 27th, the Japanese military authorities on November 29th made the following statement to newspaper representatives in Tokyo:

Mr. Stimson's statement in question has been made clear by his explanations. In his statement which was made public through newspapers, it is mentioned that Baron Shidehara, through Ambassador Forbes, has informed the United States Government that the Minister of War, Chief of Staff and Baron Shidehara are agreed not to assume any hostile action against Chinchow and that this agreement was communicated to commander of Japanese troops in Manchuria. The above statement is nothing but an assurance given by Baron Shidehara to Ambassador Forbes that Japan has no intention whatever to start military operations against Chinchow at the present time. As regards the above operations, Baron Shidehara asked General Minami, Minister of War, and General Kanaya, Chief of Staff, to ascertain whether the military authorities will start operations. To this, the military authorities replied that they have no such intention at present. However, the military authorities have made it quite clear that should Chinese troops take such attitude as to threaten either the Japanese troops or order of society the Japanese

- 2 -

Japanese troops would take the necessary measures for self-defence.

Under the circumstances, the military authorities have no objection whatever as to the above assurance given by Baron Shidehara to Ambassador Forbes. Consequently, either Ambassador Forbes or Secretary of State Stimson should be held responsible in that the United States authorities have misrepresented Baron Shidehara's explanation. The fact that the military authorities in Tokyo have issued instructions to the commander of the Kwantung (Japanese) army in Manchuria to withdraw detachments from the districts west of the Liao river has no relation whatever with the United States of America. This withdrawal was due to the fact that China, through the medium of England and France, has addressed a formal note to Japan that Chinese troops in the direction of Chinchow shall be withdrawn to districts east of Shanhai-kwan. Thereupon the Japanese military authorities issued instructions as above stated for the reason that they (the Japanese military authorities) are most desirous of settling all affairs in that direction through peaceful means. The responsibility of Secretary of State Stimson is very great.

4 copies destroyed
1/15/32 RH

7E
TELEGRAM RECEIVED

MET

PLAIN

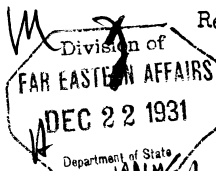
FROM

Peiping via N.R.

Dated December 22, 1931

Rec'd 6:50 a.m. *Del. to Geneva 12.22.31*

Secretary of State,
Washington



COPIES SENT TO
O.N.I. AND M.I.D.

1116, December 22, 3 p.m. *File*

The following from Nippon Dempo new agency, Mukden,
December 20.

"In three days it is expected the emissary sent to
General Jung Chin commander of the Chinese forces at Chinchow
from the Japanese Army advising him to withdraw into the
inside of the Shan-Haikun barrier will be returning to
Mukden. General Jung will most probably not accept the
advice with the result there will be a general attack on
Chinchow about the twenty-fifth of this month".

December twenty-first. "The war authorities in
Mukden have found it useless to send an emissary to the
Chinchow army since it is taking a firm antagonistic
attitude. They have accordingly given up their emissary
project and are ready to advise the Chinchow army to with-
draw through some other channels".

For the Minister,

CIB-JHR

PERKINS

FK 793.94/3222

FILED

DEC 24 1931

028
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Lustig NARS, Date 12-18-75

7E
TELEGRAM RECEIVED

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PLAIN

FROM

Peiping via N.R.

Dated December 22, 1931

Rec'd 5:50 a.m. *Tel to Geneva*
12, 22, 31

Secretary of State,
Washington

COPIES SENT TO
O.N.I. AND M.I. *EGC*

1117, December 22, 4 p.m.

Following from Kuomintang News Agency, Nanking, December 20.

"Interviewed today in connection with the preparations of Japanese troops in Manchuria for an attack on Chinchow, Dr. Wellington Koo officiating Minister of Foreign Affairs, said that although ostensibly the Japanese move is for the purpose of suppressing bandits actually they want to seize Chinchow. Dr. Koo said that the National Government had already cabled to the League calling its attention to the activities of the Japanese military in Manchuria.

According to information from Chinese political circles Dr. C. U. Wu has been selected for the Portfolio of Foreign Affairs in succession to Dr. Koo who probably will be appointed Chinese Minister to Japan. General Chiang Tso Pin the present incumbent has been ordered home for a conference with the government".

JHR

For the Minister,
PERKINS

FK

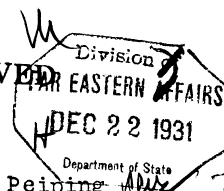
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DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Lustig NARS, Date 12-18-75

TELEGRAM RECEIVED



MET

This telegram must be
closely paraphrased be-
fore being communicated
to anyone.

Secretary of State,
Washington.

FROM

Peiping

Dated December 22, 1931

Rec'd 8:30 a.m.

Del to General
12.22.31

1119, December 22, 5 p.m.

In a personal interview last night Counsellor of
Legation received the impression that Marshal Chang was
not particularly well informed regarding recent develop-
ments outside the wall and that he had no definite opinion
as to the likelihood of a Japanese attack upon Chinchow.

General Yu, Garrison Commander here, expressed opinion
this morning that the Japanese would not advance on Chinchow
at the present time. If so, Chinese would resist.

December 22, 6 p.m.

For the Minister,

PERKINS

PT

WWC

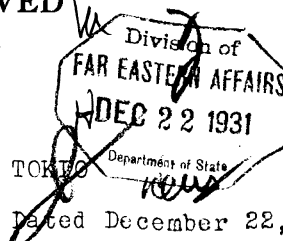
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TELEGRAM RECEIVED

REP

FROM

This telegram must be closely paraphrased before being communicated to anyone.



Dated December 22, 1931

Rec'd 5:43 a. m.

Secretary of State,
Washington.

Del to Geneva
12.22.31

DEC 23 1931

273, December 22, 2 p. m.

Inukai called at the Embassy Saturday afternoon and I quoted the words of an observer who had told me that Japan was creating a situation in Manchuria fraught with the certainty of future war, saying that China would not rest a gun under the alienation of Manchurian sovereignty. Inukai assured me that Japan would never allow such a situation to arise and would never impair Chinese sovereignty, reiterating that they desired merely the protection of Japanese persons and interests; he expressed the expectation of a greatly increased influx of Chinese inhabitants with the restoration of order and improvement in the means of transportation in Manchuria.

Meanwhile active preparations are going on for further operations in Manchuria, where the military seem to have been given a free hand.

FORBES

RR

CSB

FA 793.94/3235

1 1292

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

1-138
PREPARING OFFICE
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Washington,

December 22, 1931. 5:48

6P

AMERICAN CONSULATE

GENEVA (SWITZERLAND).

138

CONFIDENTIAL FOR GILBERT.

793.94/5
One. Under date December 22 the American Legation
at Peiping telegraphed the following news reports:

(a) From the Kuo-wen News Agency, Nanking,
December 20, reporting an interview on that day with
Dr. Wellington Koo, who stated that although the
preparations of Japanese troops in Manchuria are
ostensibly for the purpose of suppressing bandits they
actually wish to seize Chinchow. Koo stated that the
National Government had already cabled to the League
calling its attention to the activities of the Japanese
military in Manchuria.

(b) From the Nippon Dempo News Agency, Mukden,
December 20, reporting that the emissary sent to General
Jung Chin, Commander of the Chinese forces at Chinchow,
from the Japanese Army advising him to withdraw inside
of the Shanhaikwan barrier was expected to return to
Mukden shortly; that General Jung would most probably
not accept the advice with the result there would be a

Enciphered by

Sent by operator M., 19.....

general

Index Bu.—No. 50.

U. S. GOVERNMENT PRINTING OFFICE: 1929 1-138

793.94/3285

1 1293

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Lustigson NARS; Date 12-18-75

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Department of State

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Washington,

- 2 -

general attack on Chinchow about the 25th of this month.

(c) From the same news agency, December 21, reporting that the military authorities at Mukden had found it useless to send an emissary to the Chinchow army since it was taking a firm antagonistic attitude and that the authorities were ready to advise the Chinchow army to withdraw through some other channel.

(d) From Reuter, Tokyo, December 21, reporting that according to press telegrams from Mukden the bandit drive which opened that morning would be confined to the districts west of the South Manchuria Railway and north of Mukden provided that Chinese regular forces did not support the bandits, who were estimated to number about 30,000, or attempt to hinder the Japanese operations.

Two. Under date December 22 the American Legation at Peiping reports confidentially that Marshal Chang does not appear to be well informed concerning conditions in Manchuria or concerning the possibility of an attack upon Chinchow by the Japanese. The garrison commander at Peiping was of the opinion that an advance on Chinchow would not be made now but that if it were it would be

Enciphered by

resisted

Sent by operator M., 19.....

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Department of State letter, August 10, 1972
By Milton O. Lustig NARS, Date 12-18-75

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Department of State

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TO BE TRANSMITTED
CONFIDENTIAL CODE
NONCONFIDENTIAL CODE
PLAIN

Washington,

- 3 -

resisted by the Chinese forces.

Three. Under date December 22 the American Embassy at Tokyo reports confidentially ~~that Premier Inukai~~ had stated that Japan would not allow the Chinese sovereignty to be impaired but that the protection of the persons and interests of their nationals was all that the Japanese desired. The ~~Embassy said~~ that preparations for further operations are proceeding actively in Manchuria and that it appears that a free hand in this respect has been given to the military.

Four. Inform Drummond, confidential as to source.

Ruy
FE: RSM: EJJ

m m H
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Enciphered by

Sent by operator M., 19.....

Index Bu.—No. 50.

U. S. GOVERNMENT PRINTING OFFICE: 1925 1-138

1297
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

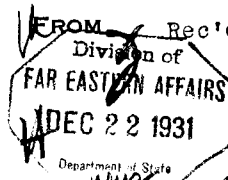
REP

PLAIN
TELEGRAM RECEIVED

Peiping via N. R. **FE**

Dated December 22, 1931

Secretary of State,
Washington.



Del to Geneva 12.22.31
COPIES SENT TO
O.N.I. AND M. I. *Fig. 8*

1118, December 22, 5 p.m. *File*

Following from Reuter, Tokyo, December 21st:

"The bandit drive which opened this morning will be confined to the districts west of the South Manchuria Railway and north of Mukden provided that Chinese regular forces do not support the bandits who are estimated to number about 30,000 or attempt to hinder the Japanese operations according to telegrams from Mukden to the press here.

The Japanese troops participating in the drive are reported to be in high spirits in spite of the bitter cold. The thermometer was standing at twenty degrees below zero Fahrenheit when the forces started to advance simultaneously from Sisupingkai, Changtu, Kaiyang, Tichling and Mukden.

Major General Mori commander of the independent railway guard garrison is conducting the operations and he has transferred his headquarters to Kaiyuan to which place Lieutenant General Tamon commander of the second division is also proceeding."

CIB JHR

For the Minister
PERKINS

FK 793.94/3286

FILED
DEC 24 1931

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

No. 7999

AMERICAN CONSULAR SERVICE.

COPIES SENT TO
O.N.I. AND M.I.D.

793.94
DEPARTMENT OF STATE
American Consulate General,
Shanghai, China, December 1, 1931.

JAN 13 1932
Subject: Eugene Chen's Apologia.

A/C/C
ASSISTANT SECRETARY OF STATE

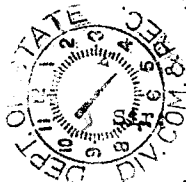
THE HONORABLE

Division of
THE SECRETARY OF STATE
EASTERN AFFAIRS
WASHINGTON.

DEC 22 1931

Department of State

AM RECD



DEC 22 1931

I have the honor to transmit what is believed

- 1/ to be an authentic statement by Mr. Eugene Chen,
Minister for Foreign Affairs of the Canton Government,
which probably has been received by the Department
and the Legation through other sources. It is believed,
- 2/ however, that the editorial appearing in THE SHANGHAI
TIMES (British) of November 27, 1931, will be of interest
since it furnishes the reasons for the issuance of such
an apology.

Closely allied with the subject-matter of Mr.

- 3/ Chen's apology is a second statement appearing in THE
NORTH CHINA DAILY NEWS (British) of November 29, 1931,
under the heading "Eugene Chen Hits Out." In this article
Mr. Chen criticizes unmercifully the methods of Nanking
in the handling of the Manchurian affair. He also
presents, in his capacity as Foreign Minister at Canton,

the

FK 793.94/3287

FILED

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

REP

TELEGRAM RECEIVED

PLAIN

Peiping via N. R.

FE

Dated December 22, 1931

Secretary of State,
Washington.

FROM Rec'd 6:50 a. m.
Division of
FAR EASTERN AFFAIRS
DEC 22 1931
Department of State

COPIES SENT TO
O.N.I. AND M. I. *File*

1118, December 22, 5 p.m.

Following from Reuter, Tokyo, December 21st:

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CIB JHR

For the Minister
PERKINS

FK 793.94/3286

FILED
DEC 24 1931

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

No. 7999

AMERICAN CONSULAR SERVICE.

COPIES SENT TO
O.N.I. AND M.I.D.

793-94
American Consulate General,
Department of State Shanghai, China, December 1, 1931.

JAN 13 1932
Subject: Eugene Chen's Apologia.

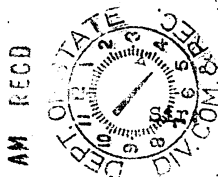
A-C/C
ASSISTANT SECRETARY OF STATE

THE HONORABLE

THE SECRETARY OF STATE
Division of
EASTERN AFFAIRS
WASHINGTON.

DEC 22 1931

Department of State



DEC 21 1931

FK 793.94/3287

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- 2/ however, that the editorial appearing in THE SHANGHAI TIMES (British) of November 27, 1931, will be of interest since it furnishes the reasons for the issuance of such an apology.

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- 3/ Chen's apology is a second statement appearing in THE NORTH CHINA DAILY NEWS (British) of November 29, 1931, under the heading "Eugene Chen Hits Out." In this article Mr. Chen criticizes unmercifully the methods of Nanking in the handling of the Manchurian affair. He also presents, in his capacity as Foreign Minister at Canton,

the

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DEC 26 1931

-2-

the attitude of that Ministry regarding the present
situation in Manchuria.

Respectfully yours,

Edwin S. Cunningham
Edwin S. Cunningham,
American Consul General.

Enclosures:

- 1/- Statement by Eugene Chen, from the
SHANGHAI TIMES of November 26, 1931.
- 2/- Editorial from the SHANGHAI TIMES
of November 27, 1931.
- 3/- "Eugene Chen Hits Out" from the
NORTH CHINA DAILY NEWS of November
29, 1931.

ESC MB
800

In Quintuplicate.

In Duplicate to Legation.

Enclosure No. 1 to despatch No. 7999 of Edwin S. Cunningham,
American Consul General at Shanghai, China, dated December
1, 1931, on the subject: "Eugene Chen's Apologia."

Statement by Mr. Eugene Chen as published in the
SHANGHAI TIMES (British) of November
26, 1931.

Mr. Eugene Chen Explains Mission To Japan

NOV 26 1931

Holds That Dominant Foreign Issue To-day Is The
Question Of China's Relations With Japan;
Denies His Visit Had Dark Purpose

CANTON, Nov. 24.—Mr. Eugene Chen, Minister of Foreign Affairs of the local Government, to-day authorized the publication of the following report concerning his visit to Japan:—

When I assumed office as Minister for Foreign Affairs, my first task was to formulate on behalf of the National Government a foreign policy corresponding to the realities and needs of the historical period which necessitated the establishment of the National Government at Canton.

After surveying the field of our foreign relations, I came to the conclusion that while the dominant foreign issue during the Canton-Hankow period of 1926-27, was the question of the unequal treaties, to-day—when the revolutionary struggle with foreign imperialism was more specific than general—the dominant foreign issue was, and is, the question of our relations with Japan, particularly in regard to Manchuria.

I was forced to this conclusion by two considerations. First, a study of the history of the past 20 years shows that Japan has been one of the major factors making for political instability of all government in China. The Japanese military, as distinguished from the modern Japan represented by Baron Shidehara, appear to believe that as long as China is unfriendly, it is in the interest of Japan that China should be unquiet and disturbed, but without a reasonable period of peace, it is impossible for any Chinese Government to begin the creation of those modern institutions which are the foundation on which alone a modern state and a modern Government can be successfully established in China, and in the creation of a modern state and a modern Government in China—in the transformation, that is to say, of China from a pre-modern state into a modern state—lies the salvation of China and the guarantees of her continued existence as an independent Kuomintang state, strongly based on the Three Principles of the people.

Secondly, the Nanking Government has had no real policy towards Japan, except the old discredited one inherited from the Peking Mandarinate of delay and evasion. When a state that is militarily weak treats in this way a state that is militarily strong and dictatorial, the law of disaster is certain to assert itself.

Dr. Sun's Vision

In these circumstances, it was thought that the policy which brings about secular peace and averts disaster was to be found in the teachings of Dr. Sun Yat-sen, who envisaged a régime in the relations between China and Japan in which understanding and friendliness might replace mistrust and misunderstanding. He saw, may be, with clearer eyes than his generation, that just as the peace and order of the system of Europe rested upon peace between France and Germany, so the peace of Far Asia—which is a vital interest of nations—was conditioned by peace between China and Japan.

It was for the purpose of finding out whether a new orientation in policy in this sense and direction was not only possible but feasible, that the National Government authorized my visit to Japan in the summer.

My instructions were embodied in a confidential memorandum which I prepared for the Government before my departure.

"I am proceeding to Tokyo to hold a set of confidential conversations with Baron Shidehara, Japanese Minister for Foreign Affairs, on the subject of placing Chinese relations with Japan on a basis of permanent friendship which was always desired by the Tsung Le, Dr. Sun Yat-sen.

A Modern Note

"In these conversations, I shall introduce a modern note, in that Baron Shidehara will be made to understand that he is dealing with a modern mind who, on behalf of the National Government, is prepared and ready to examine with him frankly, and in a modern sense, the possibility of a lasting agreement between China and Japan.

"A fundamental point to be made clear is that any settlement

of the Chinese-Japanese problem which objectively means the practical annexation of Manchuria, cannot be considered. It may be that the Japanese idea is to bring about such an annexation in the guise of economic rights and special privileges. A definition, therefore, of the phrases "economic rights and special privileges" will be sought, as well as a geographical definition of Manchuria which, so far as Japan is concerned, ought not to include Northern Manchuria.

"Another fundamental point to be emphasized is that owing to past and present difficulties with Japan, no agreement with her can be real and effective unless such an agreement receives national assent. Without this national assent it may well be that the agreement will be repudiated by the nation, with the double result that (a)—Japanese feeling may express itself in terms of boycott, strikes, etc., and (b) the National Government itself, or individual members of it, may be nationally discredited. We must be warned of the fate that overtook the Aifu Government of Tuan Chi-jui, with its Nishihara loans, etc. This means that the National Government must have something of a national mandate before beginning formal negotiations with Japan for an enduring agreement.

Reasoned Policy

"One way to secure this is to base on my conversations in Japan a reasoned policy towards Japan, and to incorporate it in the general declaration on foreign policy to be submitted to the Fourth National Congress of the Party, to be held on October 10. If this policy is approved by the Congress, formal negotiations with Japan will then follow."

My visit to Japan was already arranged when the Wanpaoshan incident in Kirin and the Chinese riots in Korea took place. There was a suggestion that it might not be expedient to proceed, in view of the inflamed state of public feeling against the Japanese. I thought, however, that the visit should be undertaken, because it was necessary to define our policy towards Japan when the National Congress met on October 10, as then scheduled, and, for this reason, I decided to go as quietly as possible. Unfortunately the news was divulged by the time I arrived in Japan.

The Tokyo Pourparlers

In Tokyo, I saw Baron Shidehara, and had an exchange of views with him. The substance of my conversations with him, as they related to Manchuria, has been summarized in my note of protest to Baron Shidehara in connection with the present situation in Manchuria, the text of which was issued to the press on September 25 last.

I quote the relevant passages in the protest:—

"In our conversations held during my recent unofficial visit to Tokyo, I stated that relations between China and Japan had been unsatisfactory for nearly a generation, and I suggested that the time had probably come for a new orientation in policy, in the sense of the teachings of Dr. Sun Yat-sen, whose conception of the relationship between the two countries, linked in certain respects by a common culture, envisaged a régime of understanding and friendliness, instead of mistrust and misunderstanding in their international intercourse, and I referred to what is known as the Manchurian Question as the crux of all relations between China and Japan. I emphasized that no Chinese, or group of Chinese or Chinese Government, could agree to a settlement of the Manchurian Question which involved that annexation, or the practical annexation, of Manchuria by Japan.

Nation's Imprimatur

"I stressed another point: 'I said that no settlement of the question would be effective and real unless the Chinese nation, as a whole, approved of it, and I indicated that such approval would have to be secured through the submission of the terms of settlement to the Kuomintang in national congress assembled.

"You replied that nothing could be farther from the thought of the Government of Japan than the annexation of Manchuria, and if, and when it became necessary, your Government would be prepared to declare categorically that Japan recognized Manchuria as an integral part of the Republic of China, and had no wish or intention to infringe Chinese territorial sovereignty in the region.

"At the same time, you pointed out that Japan had rights and interests in Manchuria, most of which are vested in her by Treaty, and all of which are the outcome of a long historical background.

"In further conversation with responsible members of the General Staff Headquarters and the War Office in Tokyo, as well as the official leader of the Seiyukai, I satisfied myself that on this crucial point you appeared to express the governing mind of Japan."

I went to Japan—this point must be underlined—to secure information from Baron Shidehara regarding the real aim and policy of his Government vis-a-vis China, especially about Manchuria.

Wanted Information

The National Government desired this information in order to decide whether the time had come for the adoption of the policy which Dr. Sun Yat-sen, with the foresight and vision of a great civilized mind, had pointed out as the way of peace and strength to his country.

I had no instruction or authority to enter into any sort of negotia-

tion with Baron Shidehara, or any other Japanese, nor did I attempt, in fact, to enter into any negotiation with anyone in Japan regarding Manchuria, or any other matter.

All the reports, therefore, alleging that I visited Japan for some dark purpose—to make a deal in arms, or for Japanese gold, or sell Manchuria, and so forth—are entirely false, and largely the work of the publicity thugs.

In view of the calamitous situation in Manchuria and the embittered state of the nation's feeling towards Japan and the Japanese, I do not think it would evince a sense of reality to consider at the present moment the possibility of a new orientation or policy in the direction indicated by Dr. Sun Yat-sen.

Those who hope for better things must wait.—Reuter.

11-302

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

Enclosure No. 2 to despatch No. 7999 of Edwin S. Cunningham,
American Consul General at Shanghai, China, dated December
1, 1931, on the subject: "Eugene Chen's Apologia."

Editorial from the SHANGHAI TIMES (British) of
November 27, 1931.

EUGENE CHEN'S APOLOGIA

NOV 27 1931
Judging from the tenour of Mr. Eugene Chen's "explanation" concerning the nature and object of his recent mission to Japan, the text of which appeared in our yesterday's issue, we shall not be at all surprised if that peripatetic politician is now wishing that he had never undertaken his little trip to the Land of the Rising Sun. Mr. Chen has a ready pen and a mercurial temperament, and the two, taken together, make an irresistible combination which can always be depended upon to make whatever he indites uncommonly interesting, even though it may leave us cold, unmoved and unconvinced, judged from the standpoint of intellectual honesty. Mr. Chen apparently has been manoeuvred into the uncomfortable position of having to explain things away, and this has made him angry. He gives expression to his choler in a way peculiar to himself. He claims that all the reports, which have found their way into the newspapers, that he visited Japan for some dark purpose—to make a deal in arms, or for Japanese gold, or sell Manchuria, and so forth—are entirely false, and largely the work of what he is pleased to call the "publicity thugs."

It is not a little stimulating, and illuminating, to discover that Mr. Chen disapproves of the methods of "publicity thugs," whoever he had in mind at the time he phrased that particular passage in his apologia. Yet we seem to have recollections of a hectic period in the career of Mr. Chen when he himself cared not for the use of temperate language when alluding to those whom he did not like or who he felt were standing in his way. Journalism in North China had never been so enlivened as when Mr. Chen was editing a newspaper printed in the English language and when he was in the habit of playfully referring to Sir (then Mr.) Sidney Barton, of the British Legation, as "that ruffian Barton" in black, bold headlines running flamboyantly across the front page of the paper. Circumstances, we suppose, alter cases. In conducting his own publicity, Mr. Chen has never denied himself the privilege of speaking his thoughts aloud and being no respecter of persons or institutions. Mildness in matters of publicity is not one of Mr. Chen's failings, whatever his limitations may be.

The future course of events in China will show whether Mr. Sun Fo hitched his wagon to a happy star when he decided to run away from Nanking in the company of Mr. Eugene Chen. The split in the Canton Government has occurred at the very moment it is being suggested in League circles that China is not an organized State, as if to confirm that suggestion. That is the real tragedy of latter-day China.

Enclosure No. 3 to despatch No. 7999 of Edwin S. Cunningham,
American Consul General at Shanghai, China, dated December
1, 1931, on the subject: "Eugene Chen's Apologia."

Statement by Mr. Eugene Chen from the NORTH
CHINA DAILY NEWS (British) of November
29, 1931.

EUGENE CHEN HITS OUT

NOV 29 1931

N. C. D. N.

Strong Criticism of Nanking's Methods in Manchuria Medley

Canton, Nov. 27.
(Delayed)

Declaring that the Canton Government cannot approve of the diplomacy adopted by the Nanking Government in dealing with the Sino-Japanese conflict in Manchuria Mr. Eugene Chen, in his capacity as the Foreign Minister at Canton, has issued the following statement in which he defines the attitude of his Ministry regarding the present situation in Manchuria:

"It is hardly necessary to insist that the Ministry of Foreign Affairs of the National Government at Canton is unable to approve of the diplomacy and line of approach which the Nanking authorities have seen fit to adopt in dealing with a formidable historical question in its most acute phase," declared Mr. Chen.

"In particular my Ministry has condemned the Nanking attitude of non-resistance to the aggression and humiliation which the Japanese military command in Manchuria have inflicted on the Chinese nation. My Ministry condemns the Nanking unwillingness to fix responsibility on Marshal Chang

Hsueh-liang and others for the disaster in Manchuria. Further, my Ministry does not approve the Nanking policy of blind reliance on the League of Nations to commit China—revolutionary and still struggling with foreign imperialism for equality and the full status of a sovereign state—to what is practically the guardianship of the League of Nations.

"To commit China, as Nanking has done, is not wise nor is it consistent with the dignity and self-respect of a nation that refuses to be ranked as a petty state in the system of nations. For this reason my Ministry invites an objective consideration of the character and extent of the assistance that can be expected from the League, having regard to the realities of the situation and to the limitations besetting the League in its present stage of development as an agency of justice and peace among the nations.

Confidence in League

"This reference to the League does not imply any disbelief in the possibility that the League may assist in gradually evolving a higher organization of the life and work of nations in which the rule of law shall replace brute force in the settlement of international disputes. My Ministry, indeed, holds fast to this civilised ideal and because it desires that this should come to pass my Ministry would wish that Chinese faith in the future of the League should not be destroyed by the grave disillusionment which must follow any failure on the part of the League to solve the Manchurian question consistently with the vital interests of the Chinese nation as a whole.

"The solution demanded by my Ministry on behalf of the nation is one that forbids the restoration of power and authority to the militarists and officials who are responsible before the Chinese people for the present disastrous state of affairs in Manchuria and for the humiliation and disgrace heaped on China. To satisfy the nation such a solution must not only safeguard Chinese territorial and administrative sovereignty in Manchuria but transform the latter from a semi-independent and feudal region of extramural China into a real and integral part of the Chinese Republic in the sense that the Central Government shall be able at all times to impose its authority on, and exact absolute obedience of, the local Chinese authorities.

"This necessitates, among other things, the disappearance of the existing system of military administration under which the local Chinese authorities have ruled or misruled Manchuria as a semi-independent principality defying and flouting the authority of the central Government in ordinary times and convulsing the entire nation when the march of events creates a crisis.

Interest of the People

"Such a system must be superseded by an entire civilian administration at the head of which must be men who have not been connected with the Mukden ruling group and who can be trusted honestly and properly to govern Manchuria in the general interests of the nation and not of an individual or a group of individuals.

"A fundamental solution of the Manchurian problem may be difficult but it is not beyond the range and compass of a National Government dominated by a modern conception of the nature and function of the State and composed of men whose word can be trusted and who are resolved on the formulation and enforcement of a national policy concerned alone with the conservation of the nation's vital interests and uninfluenced by the purely personal interests of those who have hitherto used Manchuria and its great resources for ends wholly at variance with the security and welfare of the Chinese people."

Mr. Chen's statement was made to and distributed by the Central Press, the official news agency of the Canton Government.—United Press.

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DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Lustigson NARS, Date 12-18-75

No.D-148

RECD
AMERICAN CONSULATE GENERAL,
Nanking, China.

DEC 21 31

November 24, 1931.

793.94
Subject: Sino-Japanese Controversy
in Manchuria.

DEPARTMENT OF STATE
The Honorable
The Secretary of State,
ASSISTANT SECRETARY OF STATE
Washington.

Copy in file
Division of
FAR EASTERN AFFAIRS
DEC 22 1931
Department of State
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FK 793.946283

Sir:

I have the honor to enclose herewith a copy of a Memorandum of a conversation held with the American Minister on November 20, 1931, by Dr. Lo Wen-kan, a member of the Special Commission on Foreign Relations of the National Government of China.

The synopsis of Dr. Lo's remarks in regard to the present Sino-Japanese controversy has been prepared in greater detail than is usually the case, since his observations may be taken as illustrative of the attitude of most of the leading men in the National Government who have discussed these subjects recently with the American Minister or the resident Counselor of the American Legation.

It seemed to be Dr. Lo's desire to leave as the outstanding impression received from his remarks, the idea that if China's appeal to the world's agencies for

safeguarding

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FILED

-2-

safeguarding peace, viz., the Covenant of the League of Nations, the Pact of Paris, and the Nine Power Treaty on Principles, does not result in justice being done in the present case, the effects of such failure will be disastrous not to China alone, but also to Occidental nations.

Respectfully yours,



Willys R. Peck,
American Consul General.

✓
Enclosure:

Memorandum of conversation dated November 20,
1931, regarding Sino-Japanese Controversy.

In quintuplicate to the Department
In duplicate to the Legation
Single copy to the Commander-in-Chief
Single copy to American Consul General at Canton
Single copy to American Consul General at Harbin
Single copy to American Consul General at Mukden
Single copy to American Consul General at Tientsin
Single copy to American Consul General at Hankow
Single copy to American Consul General at Shanghai.

800

WRP:MCL

Enclosure to despatch to the Department No. D-148 of
Willys R. Peck, American Consul General at Nanking,
China, dated November 24, 1931, entitled "Sino-
Japanese Controversy in Manchuria".

MEMORANDUM OF CONVERSATION

November 20, 1931.

Dr. Lo Wen-kan,
Mr. U. Y. Yen,
The American Minister,
Mr. Peck.

Subject: Sino-Japanese Controversy.

Dr. Lo Wen-kan is an Ex Minister of Justice under
the Peiping Government and has lately been affiliated with
the Mukden party. Of late, as a result of the desire of
the National Government at Nanking to unite all parties
in China for the purpose of facing the foreign threat in
Manchuria, Dr. Lo Wen-kan has been summoned to Nanking.
He is a jurist of considerable reputation. Judging from
his conversation, he does not seem to be a supporter of
the Kuomintang, the Chinese Nationalist Party. Mr. U. Y.
Yen is a person of much less prominence than Dr. Lo.
At one time he was in charge of Chinese students in the
United States and in that capacity is understood to have
become involved in certain financial difficulties.

The apparent object of Dr. Lo's call upon the American
Minister seemed to be to stimulate action by the American
Government for the solution of the Sino-Japanese Con-
troversy in Manchuria. The general purport of Dr. Lo's
observations was as follows:

China's policy since the beginning of the Japanese
inroads in Manchuria on September 18, 1931, has been to

place

-2-

place sole reliance on international compacts designed to safe-guard justice between Nations. Primary reliance has been placed upon the covenant of the League of Nations; but China looks also to the Pact of Paris and the Nine Power Treaty on Principles, signed at Washington in 1922. What China demands from the Nations signatory of these three international compacts is justice, and nothing but justice. If China does not receive justice under these agreements, the faith of the Chinese people in the idea of international organization for world justice will be dissipated and the Chinese people will inevitably be driven to adopt such methods as seem to them likely to be efficient in protecting their just rights.

Dr. Lo was asked what measures would probably be taken by Chinese public opinion if confronted with a refusal of China's demands on the League, the Pact of Paris and the Nine Power Treaty. Dr. Lo attempted to be very guarded in his reply to this question, but he permitted it to be plainly inferred that the probability was that the Chinese people would adopt an appeal (1) to war and (2) to the Soviet Government.

Dr. Lo admitted that China would probably be defeated in military operations between Chinese and Japanese forces. He pointed out, however, that the population of China amounted to 400,000,000 people and that China had a vast expanse of territory. He intimated that the capacity of China to resist Japan would be comparatively unaffected, even by the bombardment and occupation by the Japanese forces of all maritime and river ports of China.

The

-3-

The Chinese forces, in this event, would simply retire into the interior of the country and there reform in order to continue the struggle. Dr. Lo evidently derived from these circumstances the conviction that China need feel little hesitation in embarking upon a war with Japan.

When it was pointed out to Dr. Lo that it appeared irrational for China to expect dis-interested assistance from the Soviet Government in saving Manchuria from seizure by Japan, in view of the fact that the Soviet Government had itself despoiled China of Outer Mongolia, Dr. Lo said that, in the first place, the Chinese regarded Outer Mongolia as a region comparatively small in area and of minor importance, when contrasted with the Three Eastern Provinces and Eastern Inner Mongolia, the regions coveted by Japan; in the second place, he said, popular memory is short, and the young Chinese intellectual class would forget the recent actions of the Soviet Government and would have faith in the professed desire of that Government to protect China in her rights. Consequently, Dr. Lo thought it possible, if China's present policy failed, that Chinese public opinion would discard the League and the Nations signatory to the Pact of Paris and the Nine Power Treaty in favor of the Soviet government as a source of protection.

Dr. Lo touched upon the contention of Japan that Manchuria is of vital interest to Japan. He said that even though Japan might feel that her national existence

was

-4-

was bound up with the future of Manchuria, nowadays China realizes that China herself vitally needs complete possession of the resources of Manchuria. China's tardiness in developing this region, he attributed to the policy of the Manchu Dynasty of forbidding Chinese immigration into Manchuria. Now, however, the Chinese people are awakened to the possibilities in Manchuria and are determined to retain them for China's use. One evidence of this awakened realization is the great influx of Chinese immigrants into Manchuria, whose population now amounts to 30,000,000, while the area can easily support four times as many. Dr. Lo said that China needed Manchuria, at least as much as Japan did, to provide for surplus population. Dr. Lo objected, incidentally, to the term "Manchuria", which he described as of Japanese origin. He asserted that the Chinese people regarded the Three Eastern Provinces as being in no respect different in political character from the rest of China.

Dr. Lo admitted frankly that the Government of the Manchurian provinces had not hitherto been good or efficient. He alluded, also, to the apparent inability of the population and armies of Manchuria to resist Japanese oppression and invasion. In explanation of the inferior morale of the Chinese in the Three Eastern Provinces, he pointed out that at the very beginning the best of the Manchu tribesmen had come into China at the time of the conquest in the 17th Century, leaving mainly weaklings, old men and women behind. Until about

-5-

1906 the only Chinese able to proceed to Manchuria, in the face of the Manchu prohibition of immigration, had been Shantung coolies, who were smuggled in. These men had not been of a desirable sort and their descendents had not constituted a desirable stock. Chinese immigrants of a desirable sort, now coming in at the rate of more than 1,000,000 per annum, had been there at most for one generation. None of the ambitious and capable people from the southern provinces of China had gone to Manchuria, as yet, to develop the country, but now they were aware of the possibilities of the region and would soon go there in great numbers. Dr. Lo gave a warning that the weak surrender of the Manchurian armies and population to Japanese domination should not be taken as a criterion or the sort of opposition which China as a whole would put up against Japan. He said that the temper of the Chinese nation as a whole was one of indomitable determination to retain the Three Eastern Provinces and to resist the Japanese conquest to the bitter end.

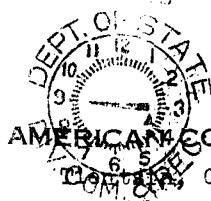
Dr. Lo expressed surprise that the United States and the European Powers did not seem to realize that it is the desire of China to maintain the "Open Door" in Manchuria--and that it is the desire of Japan to close the "Open Door". It was the obvious desire of Dr. Lo to point out that the western powers would, themselves, be confronted with an irrecovable loss if they did not at this final juncture stand out for international justice and the rights of China, which are now being violated by Japan.

WRP:MOL

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

No. 39

AM. RECD

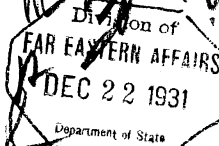
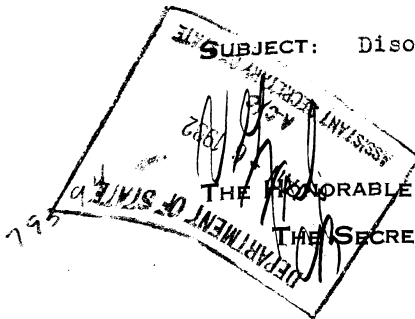


COPIES SENT TO
O.N. AND M.L.D.

AMERICAN CONSULATE GENERAL
Tientsin, China, November 21, 1931.

DEC 21 31

SUBJECT: Disorders at Tientsin.



THE HONORABLE
THE SECRETARY OF STATE

WASHINGTON.

SIR:

I have the honor to transmit herewith, in quintuplicate, a copy of my despatch No. 61, dated November 21, 1931, to the Legation at Peiping, on the subject of disorders at Tientsin.

Respectfully yours,

F. P. Lockhart
F. P. Lockhart,
American Consul General.

800

FPL/DA/

Enclosure:

To Legation, Peiping, November 21, 1931.

Original and 4 copies to Department.

FK 793.94/3289

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

No. 39

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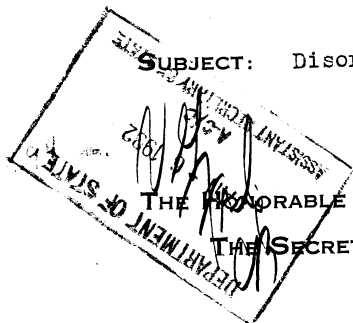
COPIES SENT TO
O.N.I. AND M.I.D.

AMERICAN CONSULATE GENERAL

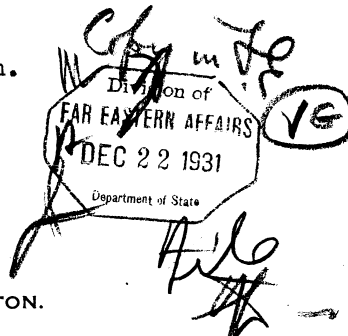
COM. CHINA, China, November 21, 1931.

DEC 21 31

SUBJECT: Disorders at Tientsin.



THE HONORABLE
THE SECRETARY OF STATE
WASHINGTON.



FK 793.94/3289

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Respectfully yours,

F. P. Lockhart
F. P. Lockhart,
American Consul General.

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FPL/DA/

Enclosure:

To Legation, Peiping, November 21, 1931.

Original and 4 copies to Department.

15-131
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

No. 61.

Encl. 39 in Dispatch
D. Nov. 21, 1931
Consulate General

AMERICAN CONSULATE GENERAL,

Tientsin, China, November 21, 1931.

Subject: Disorders at Tientsin.

The Honorable Nelson T. Johnson,
American Minister,
Peiping, China.

Sir:

I have the honor to refer to my telegrams of November 9 - 9 a.m., November 9 - 3 p.m., November 10 - 11 a.m., November 11 - 9 a.m., November 11 - 6 p.m., November 12 - 11 a.m., November 12 - 6 p.m., November 13 - 3 p.m., November 13 - 6 p.m., November 14 - 12 noon, November 15 - 4 p.m., November 16 - 11 a.m., November 17 - 10 a.m., November 17 - 4 p.m., and November 18 - 3 p.m., on the above-mentioned subject, and to supplement, as follows, the information contained therein:

For several days previous to Sunday night, November 8, Chinese officials had been apprehensive of disturbances which they claimed would break out either on the night of Saturday, November 7, or on the night of Sunday, November 8. A representative of the Chairman of the Provincial Government called on me on Saturday afternoon, November 7, and stated that the Chinese officials had conclusive evidence of a plot then being organized by ex-Shih Yu-san soldiers in the Japanese concession for the purpose of creating disorders in the Chinese areas either on that night or the night

-2-

night following. The representative stated further that General Chang-pi and one Li Chi-chuan had been busy organizing the plot for some time and that it was primarily designed to overthrow, or seriously to discredit, the local government which is administered by political adherents of Chang Haueh-liang. Shih Yu-sen himself was not believed to be implicated in the plot. The representative further stated that two secret agents of the Chinese authorities had been paid \$100.00 each to join the plotters in the Japanese concession, and that they had divulged to the authorities employing them the full details of the projected raid. As a consequence, the Chinese authorities had taken precautionary measures and had made every preparation to meet the attack by concentrating their police force in the Chinese area abutting the Japanese concession. Additional police had been sent to the area and they had been informed as to what might happen, and had been instructed to offer the most stubborn resistance in case they were attacked. It is generally believed that those who organized the plot had convinced themselves that the Chinese police force and local officials would flee and abandon the city to the invaders at the first sign of any considerable gun fire. Instead of fleeing, the police opened fire with rifles and machine guns and the panic which followed was apparently among the raiders rather than among the police.

Saturday night passed without incident, but on Sunday night, at about 11 o'clock, heavy machine gun and rifle
fire

-3-

fire, with an occasional hand grenade, at or near the Japanese boundary abutting Chinese territory announced that the expected disorders had begun. Subsequent daily developments were reported in the telegrams above-mentioned and it is not deemed necessary here to recount the various incidents following the first clash. It should be here emphasized, however, that the most careful investigation and the most searching inquiry in quarters which might be expected to be well informed have failed to disclose with certainty either the exact place, the specific purpose, or the actual instigators of the plot. Notwithstanding several foreigners known to the Consulate General actually saw plain clothes men, with white bands on their arms, in the Japanese concession between 11 and 12 o'clock on Sunday night, November 8, it is still not definitely established that these plain clothes men at the time they were seen had or had not previously been in the Chinese area. The Chinese authorities contend, however, and with some reason, that the plain clothes men, variously estimated to number from 500 to 1100, were organized in groups in the Japanese concession, and that they were permitted without hindrance to pass into the Chinese area, whereupon fighting took place between them and the Chinese police as a result of which some of the plain clothes men may have found their way back into the concession during the confusion. In the course of the fighting, which was of considerable intensity, bullets fell freely in the Japanese concession and caused the Japanese troops who had been called

-4-

called out to guard their boundary abutting the Chinese area to believe that they had been attacked by the Chinese. It is most likely that the Chinese police as well as the plain clothes men fired in the direction of the Japanese barricades inasmuch as it would be difficult to prevent such occurrences during a fusillade of shots. This fighting continued uninterruptedly until about 2 a.m. in the course of which a Japanese sergeant and a private were killed, and one Japanese woman wounded. The incidents of the night of November 8 and the following morning are described in articles in the PEKING AND TIENTSIN TIMES

- 1/ (British) of November 10, copies of which are enclosed herewith. In fairness to both sides and in order to
- 2/ make the record as complete as possible, there is enclosed herewith a copy of the official version of the happenings of the night of November 8 and the following morning as given out by the official Japanese Information Bureau, together with a copy, in translation, of a letter addressed to me by the Mayor of Tientsin under date of November 9, 1931, giving an account of the affair from the Chinese side. Supplementing these accounts it is perhaps pertinent
- 4/ to enclose also a copy of a biography of General Chang-pi who is alleged by the Chinese to have been the organizer of the plot. It will be observed that General Chang has had previous experience in this line of work. One high ranking Chinese official informed me that on Saturday, October 7, he had telephoned to General Chang-pi at his headquarters

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in the Japanese concession and requested him not to start any disturbances and that General Chang had stated that he could not control the agitators who were firmly determined to carry out their plot. The Chinese also claim that the Japanese refused to give any assistance towards apprehending the plotters.

It is doubtful whether there has ever occurred in Tientsin an incident which has been so clouded in mystery. It is also doubtful whether there has ever occurred here an incident which has caused so much misinformation to be disseminated or which has produced so many false charges and counter charges. The complete absence of definite information as to what course events might take caused the very greatest anxiety among both the Chinese and foreign populations. The Japanese Information Bureau was busily engaged in supplying printed and mimeographed accounts of daily developments. The Chinese matched these reports by oral statements and newspaper reports some of which, as in the case of the Japanese, were on their face quite incorrect. Propaganda on both sides kept the public mind in a confused state for more than ten days, and trivial matters were often magnified far beyond their real importance. The Chinese became almost panic stricken when it was known that a Japanese destroyer had started up the Hai Ho from Tangku, its destination presumably being Tientsin, whereas it was practically certain that no vessel of this type could possibly reach Tientsin harbor at the depth of water then prevailing. Reports were current that

-6-

that the destroyer was proceeding to Tientsin to bombard the city. What actually happened was that it proceeded some fifteen or twenty miles up the river for the purpose of escorting a merchant vessel down to Tangku. This movement was repeated several times in the course of a week. The same system of spreading false rumors also gave currency to reports that the destroyers were landing plain clothes men, and even troops, for a concerted attack on the ex-German concession area and that strange troops had massed in great numbers a few miles below that area on the Hai Ho. Almost daily reports reached Tientsin of serious disorders at Tangku, including one report that a severe clash had occurred between American and Japanese sailors, whereas at no time since the disturbances began had any incident occurred at Tangku. No attempt will be made to set forth all the false rumors which kept the Chinese population, as well as a part of the foreign population, in a state of mental confusion for ten days. This situation was aggravated by the fact that the strictest kind of martial law prevented Chinese from evacuating the so-called three hundred meter zone or other parts of the Chinese City. All kinds of traffic in the Chinese City was absolutely stopped for almost a week. When these restrictions were finally relaxed there occurred an onrush of refugees to the British, French and Italian concessions. This movement was very pronounced for several days and is still continuing. It had the virtue, however, of permitting several thousand Chinese to come to their places of business or their houses of employment in the foreign areas. For a full week scores of foreign business concerns were almost totally

-7-

totally devoid of any Chinese staff, and this situation seriously retarded the transaction of ordinary business. One American firm alone - a carpet manufacturer - reported the absence of 150 Chinese employees, and many other American firms reported absences ranging from ten to seventy five employees. The Consulate General was swamped with requests for representations to the Chinese and Japanese authorities for the issuance of special passes authorizing Chinese to proceed from the affected areas to the foreign areas.

THREE HUNDRED METER ZONE.

The fighting had become so general in the area outside the Japanese Concession on the night of November 8 that the Commandant of the Japanese Troops communicated a demand on the Chinese authorities at 4 a.m. on the morning of the 9th that the police be withdrawn by 6 a.m. in an area three hundred meters wide from the Japanese concession boundary abutting Chinese territory. The Chinese authorities replied that this demand would be granted, but that thirty minutes grace would be required inasmuch as the withdrawal could not be completed by the time indicated. All the police not having been withdrawn by 6:30, the Japanese troops just before 7 a.m. on the morning of November 9 opened fire on the Chinese police and drove them out of the three hundred meter zone. This phase of the disturbance is generally looked upon as the one which aggravated the situation more than anything else. The Chinese were very bitter towards the Japanese for enforcing this demand, and they took pains to emphasize the fact - apparently with

good

-8-

good cause - that the establishment of a three hundred meter zone along the Japanese concession boundary abutting the Chinese area made it impossible for the Chinese police to clear out the plain clothes men in that area. The establishment of the zone created a safe refuge for the plain clothes men, but, on the other hand, their avenue of escape appeared to be effectively blocked inasmuch as the Japanese were denying admission to their concession from all directions, and the Chinese were attempting to prevent anyone escaping from the 300 meter zone. It is evident that a few police remained in the zone as firing continued intermittently between them and the plain clothes men. The police beyond the 300 meter area also apparently engaged in this firing. These intermittent clashes resulted in many bullets reaching the Japanese concession boundaries, which caused the troops on guard to return the fire. It is fairly well established, however, that the Japanese did not in all cases return the fire. An Italian officer informed me that he, while standing in the Italian concession, personally saw Chinese fire into the Japanese barricades and that the Japanese did not return the fire. This occurred on Tuesday, November 10. The Japanese admit, however, that they returned the fire in some instances. It is still not clear whether the Chinese police were deliberately firing into the Japanese barricades or whether they were engaged in attacking plain clothes men between their positions and the Japanese positions. On this point there will never be unanimity of opinion.

while

-9-

While the establishment of the 300 meter zone undoubtedly reduced the firing between the Chinese police and the Japanese troops and saved much bloodshed, it was evident early in the stage of the trouble that its continuation would aggravate the situation and bring about a more bitter feeling than prevailed before the establishment of the zone. Steps were taken by the Chinese to abolish the zone as soon as possible and subordinate Japanese and Chinese officials reached an understanding on Friday, November 13, for a joint search of the 300 meter zone to discover if any plain clothes men remained therein. This search, which apparently was not well planned, proceeded satisfactorily for a time but was suddenly concluded on Saturday, November 14, by the Japanese when a few armed police were discovered in the zone, together with barricades and other military preparations which the Japanese claimed had been erected since the establishment of the 300 meter zone, thus violating, it was alleged, the agreement establishing the zone. So far as I am aware, there was no written agreement covering the establishment of the zone or for a system of search. On discovering the police and war paraphernalia, the Japanese requested representatives from the various foreign military contingents to accompany them on an inspection so that these preparations might be pointed out. There is 5/ enclosed herewith, as of possible interest, a copy of Japanese Information Bureau Bulletin No. 37, which was issued on November 15, detailing the result of this joint investigation

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investigation of the 300 meter zone. Two members of the staff of this Consulate General, Consuls A. I. Ward and H. C. Taylor, who happened to be in the Japanese concession near one of the barricades when the inspection party consisting of military officers from the Japanese, Chinese, British, French, Italian and American contingents were about to begin the inspection referred to in Bulletin No. 37, were invited to accompany the party unofficially and did so with my consent and with my understanding that they were to take no part in the proceedings and were merely to report to me what they saw. On this condition they accompanied the party, and on their return made a memorandum of the visit to the 300 meter zone with the delegation just mentioned. A copy of the memorandum, dated 6/ November 14, is enclosed herewith.

Responsible Chinese authorities, including the Chairman of the Hopei Provincial Government, General Wang Shuchang, and Mayor Chang Hsueh-ming, were apparently chagrined to learn that a few police numbering possibly four or five, had remained in the 300 meter zone, and that barricades and fresh defensive measures had been erected since the zone had been established. The Japanese authorities let it be known that since there had evidently been a violation of the agreement to keep the 300 meter zone free of police and war-like preparations, it was incumbent upon the Chairman of the Provincial Government to apologize and to make some explanation of these alleged derelictions. Chairman Wang accordingly proceeded to the headquarters of Lieutenant General Kashii, the commandant of the Japanese troops, on the late afternoon of Sunday,

November 15,

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

-11-

November 15, and offered an apology and explanation which was accepted by the Japanese Commandant. In this connection, I may say that General Wang proceeded to the Japanese headquarters at 5:30 on the afternoon of the date mentioned and not having returned to his headquarters by 6 o'clock, a confidential adviser and representative of the Provincial Chairman telephoned me that the Chairman was being detained by General Kashii and that grave fears were being entertained for his safety. At 6:15 another Chinese official informed me in a personal call at my residence that General Wang was being detained by the Japanese authorities. In both instances I endeavored to persuade the Chinese that their conclusions were premature and that in all likelihood Generals Wang and Kashii were discussing in some detail a tentative plan for a further investigation of the 300 meter zone, and were endeavoring to arrive at a basis of settlement of the entire controversy. This assumption later proved to be entirely correct. At 8 o'clock General Wang returned to his headquarters, much to the relief of his associates. It was not until General Wang and General Kashii had this conference that any well defined principles designed to clear up the zone controversy and other questions at issue were tentatively agreed upon. In connection with General Wang's visit to General Kashii, a confidential statement was issued late on the night of November 15 by one of the advisers to General Wang, giving the result of the conference. A copy of the statement is 7/ enclosed. In consequence of the meeting between General

Kashii

-12-

Kashii and Chairman Wang, responsible representatives of the Japanese and Chinese military authorities met on Tuesday, November 17, and arranged a very definite plan of procedure in clearing up the 300 meter zone. The plan which was agreed upon is set forth in Bulletin No. 40 of the Japanese Information Bureau, dated November 18, a copy of which is
8/ enclosed herewith.

Having agreed on the main principles for clearing up the 300 meter zone, the Chinese began to carry out the terms of the agreement on Wednesday, November 18, and considerable progress was made on that day. Even more progress, however, was made on Thursday, November 19, but on Friday, November 20, the Japanese voiced complaint that the Chinese were very slow in removing some of the barricades in the side streets within the 300 meter zone, and that they were also strengthening some of the defenses just outside the 300 meter zone. It is significant that during the first searches in the area practically no plain clothes men were discovered. This can well be explained by the fact that they may have, on approach of the searchers, suddenly disguised themselves by taking on the character of ordinary shopkeepers, coolies or other Chinese. In connection with the claim of the Japanese that the Chinese have not completely carried out
9/ the terms of the agreement, there is enclosed herewith a copy, in translation, of a letter dated November 19, 1931, addressed to me by the Tientsin Municipal Government.

It is pertinent to remark that the tactics of the
plain

-13-

plain clothes men during the recent disorders resemble in some ways those employed by plain clothes men who have from time to time created troubles in the Yangtze Valley. It is not beyond the bounds of possibility that the disturbances here may have been a part of the general plan of political agitators to create disorders anywhere in China when suitable opportunity offers. There is but little tangible evidence to support this theory, and but little sympathy with it in Tientsin, which has been comparatively free from such troubles, but there are elements associated with the disorders which might well be a part of the general plan of prolonging the present unrest and unsettled state of political affairs in China.

The continued firing between the Chinese police and plain clothes men, and also by the Japanese soldiers at the Haikwanssu side of their concession, seriously jeopardized the lives of a number of American missionaries at the Methodist Episcopal Compound near Nankai. At my request, although they appeared reluctant to do so, all the American workers at this Mission withdrew to Tientsin with the exception of two American nurses who would not leave their Chinese patients in the hospital. Many bullets struck the buildings in the compound, and in at least one instance a bullet passed into one of the rooms of one of the buildings. It is into this compound that two plain clothes men threw their rifles when being pursued by the Chinese police, one of the rifles being an entirely new one bearing the mark of the Northeastern Army, and presumably having recently been brought from Mukden.

REQUEST

-14-

REQUEST FOR THE WITHDRAWAL OF TROOPS TO TWENTY LI
FROM TIENTSIN.

Obstacles having been encountered in the effort amicably to adjust the differences between the Chinese and Japanese, especially as regards the 300 meter zone, the Japanese military authorities on November 14 demanded of General Wang Shu-chang that all Chinese troops should be withdrawn to a point at least twenty li outside the foreign concessions. On November 16 General Wang agreed to the Japanese demand, which had been made entirely independent of any other foreign military command at Tientsin. The demand was made on the basis of the agreement of July 15, 1902, to which the Japanese, French, British and Italians, together with other foreign powers not now maintaining troops at Tientsin, were signatory. The Japanese version of this matter is contained in the copy of Bulletin No. 39 of the Japanese Information Bureau, 10/ herewith enclosed. It is generally believed that the demand and the acquiescence on the part of the Chinese was not of much force inasmuch as there were but a small number of Chinese troops in the Tientsin area.

In connection with the employment of American, British, French and Italian troops for defensive purposes, only the General Plan of Defense long in force was employed as a precautionary measure. This provided for the stationing of small patrols by the British, French and American forces, together with rather strong defenses maintained by the Italians in their concession because of the fact that that area was more exposed to danger than any other. When it became necessary to adopt these measures outposts of the

British

-15-

British and French contingents were placed at points several hundred yards beyond their concession areas, as were two or three outposts of the Japanese troops on the western and southwestern sides, among these being a Chinese police station near the concession boundary. Small American detachments were employed for guard duty, in cooperation with the Chinese police, at points on the boundary of the ex-German concession. The British and American patrols were withdrawn on November 18, and the French on November 19. The Italians continued to maintain restrictions, but they are now considerably relaxed since martial law in the Chinese areas is suspended from 2:30 a.m. to 4:30 p.m. The Japanese outposts are still being maintained, it is understood.

RUMORS CONCERNING EX-EMPEROR.

Disquieting rumors were freely circulated in Tientsin, beginning shortly after November 9, that the ex-Emperor, Pu Yi, had been spirited away from Tientsin by the Japanese for the purpose of establishing an empire in Manchuria with the Young Emperor at its head. When these rumors first became current inquiry was made of the Japanese authorities as to whether Pu Yi was still in the Japanese concession, but the information divulged was of a non-committal character. Some days later, however, it was admitted in a formal statement, a copy of which is 11/ enclosed, that Pu Yi had left the Japanese concession shortly after the outbreak of the disorders, but that his destination and whereabouts were not known. This announcement, however, did not serve to quiet the fears
of the

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of the Chinese that Pu Yi had been spirited out of the Japanese concession by the Japanese for the purpose of heading a new government in Manchuria. These fears are still entertained by some Chinese, although there is but little, if any, evidence to substantiate the claim that Pu Yi has actually been taken, or has gone, to Mukden. There is some evidence indicating, however, that the Japanese saw him safely down the Hai Ho and that he boarded a Japanese steamer at Tangku. There remains the possibility that he may still be in one of the foreign concessions at Tientsin or that he may have been taken to Dairen or Japan for refuge.

CONFLICTING ACCOUNTS OF LOCAL DISORDERS.

No attempt will be made to explain the widely conflicting reports of day to day happenings. There are
12/ enclosed herewith, however, copies of Bulletins Nos. 32,
13/
14/ dated November 11; 33 dated November 12, and 36 dated November 14, 1931, all issued by the Japanese Information Bureau, giving what purports to be a statement of actual conditions for the time covered by the statements. Much of the distrust which prevented an early settlement of the controversy was due to distorted statements of fact and unjust accusations on both sides. The Chinese have not indulged in the dissemination of printed pamphlets, but the Japanese have employed this system widely.

To show the experience of at least one foreigner, a British subject, who ventured into the 300 meter zone
15/ on November 11, there is enclosed herewith an article from
the

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the PEKING AND TIENTSIN TIMES (British) of November 13 describing the experience of the British subject in question.

There still prevails great anxiety among the Chinese as to the ultimate outcome of the recent disorders, and there is even now a daily exodus in large numbers of Chinese from the Japanese concession and Chinese areas. It is freely predicted that the end is not yet in sight, although the past few days have shown a decided improvement in the situation.

Respectfully yours,

800

F. P. Lockhart,
American Consul General.

FPL/LA

Enclosures:

- 1/, Articles from PEKING AND TIENTSIN TIMES, November 10.
- 2/, Official Japanese version of happenings of night of October 8; by the Japanese Information Bureau.
- 3/, Copy, in translation, of letter from Tientsin Municipal Government to American Consul General, Tientsin, dated November 9, 1931.
- 4/, Biography of General Chang-pi.
- 5/, Japanese Information Bureau Bulletin No. 37.
- 6/, Memorandum of Consuls A. I. Ward and H.C. Taylor.
- 7/, Confidential statement of November 15, issued by an adviser of General Wang.
- 8/, Japanese Information Bureau Bulletin No. 40.
- 9/, Copy, in translation, of letter from Tientsin Municipal Government to American Consul General, Tientsin, dated November 19, 1931.
- 10/, Japanese Information Bureau Bulletin No. 39.
- 11/, Statement concerning departure from port of Young Emperor.
- 12/, Japanese Information Bureau Bulletin No. 32.
- 13/, Japanese Information Bureau Bulletin No. 33.
- 14/, Japanese Information Bureau Bulletin No. 36.
- 15/, Article from PEKING AND TIENTSIN TIMES, November 13.

Original and 1 copy to Legation.
Five copies to Department of State.

A true copy of
the signed original.
[Signature]

GRAVE OUTBREAK IN SUBURBS OF NATIVE CITY.

PLAIN CLOTHES MEN ATTACK EAST AND SOUTH GATES.

JAPANESE ORDER CHINESE TO WITHDRAW FROM CONCESSION BORDER.

SEQUEL TO ALLEGED KILLING OF A JAPANESE N.C.O. AND SOLDIER.

RENEWAL OF ATTACK FROM WEST SUBURBS.

A serious crisis has developed in Tientsin as the result of an attack, or series of attacks, on the outskirts of the native city, adjoining or in the vicinity of the Japanese Concession on Sunday night. Owing to the difficulty of securing reliable information we withheld a report on the outbreak. Reports are still confusing, and flatly contradictory on material issues. The Chinese assert that the plain clothes men were secreted in the Japanese Concession, were seen walking on the streets of the Concession after night-fall, wearing armbands with Chinese characters, and assembled near the Chung Yuen building by a pre-arranged scheme, from which point they separated and attacked both the South suburbs and the eastern boundary. They allege, moreover, that the Japanese Authorities were aware of the contemplated attack, and state further that they themselves had foreknowledge of it, since they managed to get two of their detectives admitted into the ranks of the plain clothes "rebels," and were thereby enabled to learn their plans. That the city authorities had some information of the impending attack is obvious from the state of preparedness in which that attack found them, while it is an open secret that warnings were imparted to the various foreign Authorities here of an approaching crisis.

The Japanese Authorities, on the other hand, deny any knowledge of the presence of the plain clothes men in the Concession, and refer to them as bandits, who first showed themselves in the San Pu Kwan district in the vicinity of the Concession, where the attack actually began, firing starting just before 11 p.m.

The defenders were prepared and drove the plain clothes men back towards the Japanese Concession. Practically simultaneously firing also broke out on the border of the city and the Japanese Concession between the Tung Maloo (the main road to the city) and the river. In this quarter also the precautions were effective. The objective of the attack was apparently the Kung An Chiu, the Police Headquarters opposite the ex-Austrian Bridge. As a result of the vigilance exercised in this neighbourhood eight Chinese in plain clothes, who were armed, were arrested and shot at about 8 o'clock. Evidently these men were a sort of vanguard, and were intended to provoke a panic at the right moment and thus facilitate the task of the larger body. Their discovery and execution prevented any serious development of the threat in this direction.

As a result of the considerable firing, bullets and bits of shell flew about in all directions. The Japanese Authorities state that when proceeding to the corner of the Concession near this scene of action a soldier was hit by a bullet as he went up to see what was going on.

Then began what may be described as the second phase of the crisis. The Japanese Military Authorities requested the defenders of the city to retire a distance of 300 metres from the border of the Japanese Concession. It is stated that this advice was not followed, and a Japanese Sergeant-Major was killed during further firing. In consequence of this an ultimatum was despatched to the Chinese Authorities insisting on evacuation of this zone, and giving them two hours to do it. This expired at 6 a.m. The Chinese, while expressing their willingness to comply with this order, asked for more time. There were difficulties in carrying this out on the whole "front,"

especially at the south-east corner, since it would have entailed the evacuation of the Telephone Office, and brought the defence line perilously close to the main objective of the attackers, the Kung An Chiu. Owing to alleged delay in complete fulfilment of this ultimatum, and also, it is alleged, because a clash occurred between the Japanese and the Police defending the Concession, the Japanese, it is asserted, fired on the Chinese, between 6 and 7 a.m., when sounds of light guns or bombs guns and trench mortars were heard, lasting at intervals for about half an hour.

The Chinese Authorities state that two shells fell into the river in front of the Kung An Chiu. The exact details of this, as of the clashes between the plain clothes men and the Chinese armed Police, are difficult to obtain. Bullets fell in widely reported places, including the P.W.D. Yard on Tunbridge Road.

The firing was heard all over Tientsin throughout the night. A good many people assumed at first that the Japanese were conducting "night manoeuvres" similar to those which occurred on several occasions in Mukden before the city was taken on the night of September 18-19, but the continuation of the firing in the morning made it evident that something much more serious was afoot.

Immediately the firing began the Japanese Concession was put under martial-law, and the entry and departure of Chinese was strictly forbidden. The various authorities in the other Concessions also took certain precautions, and the garrisons were kept in readiness for eventualities. The same preparedness was maintained yesterday, when a conference of the foreign Commandants was held on the matter.

The outbreak was responsible for a considerable dislocation of routine work in the various firms and institutions, and even households, in the foreign areas, owing to the inability of the Chinese employees to return to work. The authorities in the city adopted precautions fully as stringent as those in the Japanese Concession, and great restrictions were imposed on Chinese desiring to proceed to the Concessions. The guards at the International Bridge in some cases even opened letters. Foreigners, however, were allowed to pass with reasonable freedom, and were able to secure the entry of Chinese employees on making representations to the Chinese Authorities in the Third Special Area.

The affair naturally caused the postponement of the Inter-Club races yesterday. Two ladies of the Methodist Mission, which is situated midway between the Japanese Concession extremity and the South suburb, were brought into town yesterday afternoon by Mr. Atcheson, Jr., the American Consul. They were about to leave the port and asked for an official escort to take them in so that they might be in time to catch their boat.

Firing Resumed.
Firing was resumed before nightfall last evening in the west suburbs of the city, in the neighbourhood of the Nankai Middle School. No definite information had been received, however, as to whether the attack had been pressed home, or the plain clothes men were merely trying to "terrorise" the people in that vicinity, preparatory to launching a serious attack before daybreak. Machine-gun firing was also heard in the direction of the south-east corner of the city bordering the Japanese Concession last night.

A representative of this paper

who wished to go to Central Post Office had great difficulty in securing permission to pass the Chinese side of the International Bridge. The streets in the ex-Russian Concession were absolutely deserted except for police on duty.

It was reported earlier in the day that troops were being sent into Tientsin from Langfang to assist in the defence of the city. Information received late last night indicated that the troops at Langfang were actually moving, but that they were going toward Peiping, and not coming to Tientsin—a significant indication of what the Chinese military expect to happen.

Tokio, Nov. 9.
Owing to the disturbances at Tientsin, the War Minister, General Minami, cancelled his plans to attend the Grand Manoeuvres at Kyushu, to which he was scheduled to proceed tomorrow.—*Reuter*.

DESERTED STREETS.

Shops in Japanese Concession Closed.

EXTENSIVE MILITARY PRECAUTIONS.

A visit was paid yesterday by a representative of this paper to the Japanese Concession, and an attempt was made to enter the Chinese City.

The scene appeared very warlike, with barricades of various articles such as bags, carts, bricks, stone and sand on the corners of the roads, especially those leading towards the Western part of the city.

Many Chinese have apparently taken refuge in the French and British Concessions, and numerous groups of them were standing along the pavements of the French Concession, especially the portion which is close to the border of the Japanese and French Concessions, eagerly looking for further developments. This contrasted greatly with the practically empty streets of the Japanese Concession and the absolutely deserted streets of the Native City. Most of the stores in the French Concession, situated close to the Japanese border had their doors half closed, while those situated within a few hundred feet of the Japanese Concession were absolutely shut up, which is also true of the whole of the stores in the Japanese Concession and the Native City, as far as the eye could follow. Japanese soldiers, all ready for action, with bayonets fixed to their shining rifles, were stationed all over the Japanese Concession; some placed in stores, others in buildings, while sentries and small patrols were at all crossings as well as along the streets.

The border of the French and Japanese Concessions, which is at Akiyama Road, is neither guarded nor barricaded, but at the next block, Matsushima Road, which is at right angles to Asahi Road, a barbed-wire entanglement with a zig-zag passage through it was placed. Entrance through this passage was allowed and one could proceed along the Asahi Road to the very end of the Japanese Concession, where a barbed-wire barricade stretched right across the road which leads into the Native City. At this point, it was noticed that the road leading into the Tung Maloo was absolutely bare, and although no sentries were stationed at this junction, it was noted that there were Japanese soldiers within the store at the corner.

(Continued on page 8.)

JAPANESE VERSION OF EVENTS.

Casualties Among Garrison.

GENERAL KASHII'S WARNING.

"Necessary Step" If Japanese are Endangered.

Tientsin, Nov. 9.

The Japanese Army Headquarters at Tientsin report that, according to information given them by Chinese circles, looting started in the Native City at about 9.30 p.m. last night, and a large number of armed Chinese in civilian clothes were seen around the San Pu Kuan district which they were patrolling.

At about 10.50 p.m. heavy firing was heard at a point to the southwest of the Native City. At 11.10 p.m. it seemed that disorders took place in the native city, but the Japanese troops, thinking that these disorders were not directed at the Japanese, gave orders to their men to maintain a strictly neutral attitude. But in order to protect not only Japanese nationals, but all other nationals living in the Japanese Concession, they occupied the whole boundary line between the Japanese Concession and the native city. The Chinese marauders were fighting against the Chinese troops and the Chinese police force on the North side outside of the Japanese Concession, and in complete darkness the nearest point to which was about 20 to 30 metres, and at a further point of about 100 metres.

At about midnight the first line of Japanese troops on the right side proceeded near to the Southeast corner, within the Japanese Concession, of the native city, by motor track in order to take up defense points, when one of the Japanese soldiers was shot dead as he left the track and was watching the front, the bullet piercing his forehead, death being instantaneous.

The Japanese troops then advised General Wang Shu-chang to give order to his troops to withdraw to 300 metres behind the confines of the Japanese Concession, in order to avoid any repetition of such a fatal and unfortunate incident, but up till four o'clock this morning the Chinese had not ceased firing, and one Japanese Sergeant-Major was also killed. The Japanese Military Headquarters again advised General Wang to see that his troops withdrew to the prescribed 300 metres limit behind the borders of the Japanese Concession, giving him a time limit to carry this out, within two hours from four o'clock this morning.

The Japanese troops consider that these disorders were caused by Chinese internal strife and troubles, and the General Officer in command of the Japanese troops issued the following Manifesto, explaining his attitude:—

General Kashii's Manifesto.
"Disorders took place in the Native City quite unexpectedly. The Japanese troops do not know what was the nature of these disorders, but as the Japanese Concession is very close to the Native City, fears were entertained that it might also affect the peace and order of the Japanese Concession, and also that it might affect the safety of Japanese nationals and their property and interests. Orders were therefore given to take the necessary measures to protect the Japanese Concession.

"These disorders are nothing but conflicts due to Chinese political affairs, and the Japanese troops do not wish to interfere with such troubles, and will therefore maintain strict neutrality, siding with neither party. It is the aim and desire of the Japanese troops to faithfully observe this strict neutrality, but if the honour of the Japanese troops is threatened, or Japanese interests are endangered, or any kind of persecution given to Japanese nationals, the Japanese troops will take the necessary steps for the defence of such rights and interests. Such disorders are very unfortunate for the various foreign nationals, and they are also a great disaster

ALL SAFE AT TSITSIHAR.

Tokio and Chinese Reports to League.

DISSATISFACTION WITH ACTION OF SECRETARIAT.

Wants A Protocol With League as Witness.

Tokio, Nov. 8.

A Harbin message says that the Japanese Consul at Harbin received a telegram from the Consul at Tsitsihar, Mr. Shimizu, last evening, announcing that all are safe and the situation was then quiet.

At the same time official circles are evincing increasing dissatisfaction with the League Secretariat for taking Chinese reports. It is intimated that Japan is likely to draw the League's attention accordingly.

Commenting on the reply to M. Briand's Note of October 29, official circles intimate that it is Japan's intention to get China to sign a Protocol embodying Japan's five fundamental principles with the League as a witness, preparatory to arranging the details of the withdrawal of troops.

The latest official despatches from Northern Manchuria indicate that the situation is now all quiet.

There is no confirmation of yesterday's reports that the Chinese troops are concentrating preparatory to a fresh attack against the Japanese on the Nonni River.—*Reuter*.

THE LATEST.

Tokio, Nov. 9.
Special telegrams to the Japanese papers declare that Ma Chang-shan, the acting Governor of Heilungkiang, has "declared war" against Japan and opened a bombardment against the Japanese position at Tashien this morning. Severe fighting ensued.

Ma Chang-shan is reported to have telegraphed to Chang Hsueh-liang urging the mobilisation of the Kirin forces.

These reports lack official confirmation.—*Reuter*.

SITUATION AT THE NONNI RIVER.

How Fighting Began.

Nanking, Nov. 5.
According to an official report received here to-day from General Ma Cheng-shen, the Acting Chairman of the Heilungkiang Provincial Government, about 50 Japanese soldiers forced their way across the Nonni river early yesterday morning.

In order to avoid a clash, the Chinese troops, it is reported, did not offer any resistance, but three of the Chinese vanguard were captured by the Japanese.

As a result of negotiations between the Japanese Consul at Tsitsihar and the Chinese authorities, the report continues, it was agreed by both sides that they would do everything they could to avoid a clash. The Japanese Commander, however, it is said, orally demanded that the Chinese troops should evacuate their positions before noon on the same day, and later about 200 Japanese soldiers crossed the river and opened fire on the Chinese lines. Then in self-defence the Chinese replied to the fire.

In the afternoon the Japanese troops withdrew to the south bank of the river but the report states it is learned that they are awaiting re-inforcements and will then start a fresh advance.—*Reuter*.

MESSAGE FROM MUSSOLINI.

Nanking, Nov. 5.
General Chiang Kai-shek to-day received a message from Signor Mussolini stating that Italy joined with the other Powers in the desire for a peaceful settlement of the dispute between Japan and China.—*Reuter*.

for the Chinese people. The Japanese troops hope that peace and order will be quickly restored".

(Signed) GENERAL KASHII. Later.

General Wang Shu-chang has withdrawn his troops to the 300 metre limit on the outside of the Japanese Concession.—*Japanese Information Bureau*.

SITUATION NEAR TSITSIHAR AGAIN "THREATENING."

"SAFETY OF JAPANESE CONSUL CONFIRMED."

MUCH SPECULATION ON ATTITUDE OF COUNCIL.

WITHDRAWAL OF DIPLOMATS MERELY DISCUSSED.

TOKIO ANNOYED AT ACTIONS OF LEAGUE STAFF.

Tokio, Nov. 9.

Judging by reports received by the War Office, the situation in North Manchuria is again threatening, as it is alleged that the Chinese are concentrating southward of Angangchi, at a point about 20 miles northward of the Japanese line at Tashien.—*Reuter*.

London, Nov. 8.

Heavy losses are reported by both sides in the fighting between Japanese and Chinese in Manchuria.

The Soviet Consulate at Harbin held a reception yesterday when a huge placard was displayed reading "The League of Nations is incendiary".

One message states that many Russian corpses in Chinese uniform were found on the battlefield.—*Wireless*.

More Assurances.

Geneva, Nov. 8.

The Secretariat has received assurances that the Japanese Government are firmly resolved to withdraw their troops from the Nonni River as soon as the railway bridge is repaired, which will probably take a fortnight.—*Reuter*.

BRIAND EXPRESSES "GRAVE CONCERN."

Paris, Nov. 8.

It is reported that M. Briand in the course of a long conversation with Mr. Yoshizawa last night, expressed grave concern at the affair on the Nonni River, and emphasised the delicacy of the situation created if the meeting of the Council was faced with an adamant Japanese attitude.—*Reuter*.

COUNCIL'S ACTION UNKNOWN

Geneva, Nov. 8.

Notwithstanding the highly coloured conjectures rife regarding the intentions of the League Council at the forthcoming meeting, *Reuter* is in a position to state that absolutely nothing is known here as to what the Council will finally decide.

It is obvious that a grave warning will be conveyed to Japan in the event of the non-withdrawal of the Japanese troops by Nov. 16, but none of the members of the Council, not even M. Briand, at present knows the Council's decision.—*Reuter*.

IDEAS THAT ARE BEING CANVASSED.

Geneva, Nov. 8.

A high League official declared he was unable to confirm the suggestion that M. Briand is corresponding with other members of the Council relative to the withdrawing of diplomatic representatives from Tokio.

It is admitted that the suggestion has been "discussed in the different capitals," but nothing is officially known here. It was stated that if the suggested withdrawal of the diplomatic representatives had no effect, it was possible that the Council would proclaim a boycott against Japan.

The boycott idea, too, has apparently gone no further than talk, the present acute situation having naturally given rise to much rumour and speculation.—*Reuter*.

"CHINESE PROPAGANDA BUREAU."

Tokio, Nov. 9.

It is learned that Mr. Yoshizawa is being instructed to protest against the League delegating into a "Chinese Propaganda Bureau," thereby vitiating the atmosphere against Japan.

He alleged that Dr. Rajchmann, the League's health expert in China, takes up his quarters with Mr. T. V. Soong at the

Europe-Asia wireless station at Shanghai and has spent \$120,000 during the past few weeks in cable tolls to the League.

A protest is expected strongly condemning the "irresponsible action" of the Secretariat in circulating a report that the Powers may withdraw their diplomatic representatives from Tokio.—*Reuter*.

BRITISH PRESS COMMENT.

London, Nov. 9.

The *News-Chronicle*, in an editorial, says that amid the confusing reports one thing is clear, namely, Japan is making war while denying that she is doing so. We are not arguing that China has a good case, but while Japan pursues her present methods she has a hopelessly bad case.

"No meddling in Manchuria," proclaims the *Daily Mail*, which says that the rights of the case to an impartial mind are with Japan.

The *Daily Express* says that the nation that has endured so many earthquakes cannot be shaken by the thunder of Geneva.

The *Morning Post* is distinctly pro-Japanese, and doubts if the case of peace has really been helped by the intervention of the League of Nations.—*Reuter*.

CHINA'S REPLY TO JAPANESE CONTENTIONS.

Nanking, Nov. 5.

Dr. Alfred Zee, the Chinese Minister in London, yesterday addressed a note to Sir Eric Drummond, the Secretary-General of the League of Nations, commenting upon Japan's reply to the telegrams sent to both China and Japan by the signatories of the Pact of Paris.

Dr. Zee dealt, one by one with the Japanese contentions. *Inter alia*, he said:

"The Japanese Government alleges that the occupation of Chinese territory was a measure of self-defence." The Chinese Government has repeatedly denied that the Japanese soldiers were attacked by Chinese soldiers and has pointed out that no Chinese soldiers had been suffered by the Japanese troops to approach the railway zone. So long as the Japanese Government is unwilling to agree to an impartial enquiry—the only method compatible with the principles and practice of the League of Nations—to establish the question of responsibility, it is difficult for world opinion to accept the Japanese version.

In any case, Dr. Zee continued, the seizing of strategic points in the territory of another country on a plea of self-defence cannot be regarded as behaviour compatible with the Covenant of the League of Nations. The words of M. Briand, Sir Austen Chamberlain and Mr. Ishii at a special Council meeting in 1925 may be quoted in this connection. M. Briand said 'Under the pretext of legitimate defence disputes might arise which, though limited in extent, were extremely unfortunate owing to the damage entailed. These disputes, once they had broken out, might assume such proportions that the Government which had started them under the guise of legitimate defence, would not be able to control them'. Sir Austen Chamberlain expressed his complete concurrence with all that M. Briand had said and Mr. Ishii stated that he entirely agreed with Sir Austen Chamberlain's endorsement of M. Briand's remarks.

If the real intention of the Japanese Government, continued Dr. Zee, is to make the withdrawal from Manchuria dependent only upon the security of the lives and property of her nationals, the Chinese Government strongly emphasises that

(Continued on page 8.)

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 3(D) or (E)
Department of State letter, August 10, 1972
By M. L. O. Hurdman NMS, Date 12-18-75

THE INTERVENTION OF THE BANKERS.

"The People Give You Your Power."

TAKES STAND ON SIDE OF FINANCIAL REFORMS.

Hopes That Have Been Grievously Blasted.

Shanghai, Nov. 6. Disappointed at the slow progress which the present peace conference is making, local banking leaders have taken definite steps to urge upon the delegates of both sides the imperative necessity of an early settlement.

Following an extraordinary meeting of the Executive Committee of the local Chinese Bankers' Association held yesterday, representatives were appointed to call upon the delegates of Canton and Nanking and to urge them to bring about a speedy and satisfactory settlement. The bankers' association made a significant and noteworthy suggestion: should the peace conference unfortunately break down, representatives of the organizations should be invited by both sides to act as mediators in order to effect a mutually satisfactory settlement. The bankers, it is understood, also presented to the Canton and Nanking leaders the following points relative to financial affairs:—

1. After a peace settlement has been reached, the Government should immediately appoint the Finance Committee (as provided for in the scheme relative to government reform proposed by the delegates), which should fix, in accordance with a resolution of the National Economic Conference two years ago, the military and political expenditures at \$18 millions monthly.

2. Apart from national revenue from regular sources, public loans may be issued to meet the deficit for such expenditures; the total amount of such loans should not, however, be more than \$15 millions yearly over the expenditure met by regular revenue.

In the event loans exceeding this maximum amount to be loaned to meet the military and government expenditures, the budget for the said expenditures should be revised so as to provide for a reduction thereof. Hereafter, all bonds to be issued by the Government should be entrusted to the Finance Committee and the Sinking Fund Committee for joint custody in order that the market price of the government bonds may be stabilized.

In pursuance of another resolution, the Bankers' Association has issued a Manifesto bearing upon the general situation.

"With the establishment of the National Government in the north, the Republic of China has been declared, 'the entire nation believed that the days of destruction had at last come to an end and that a period of reconstruction had been ushered in. They have therefore given their whole-hearted support to every project undertaken by the Government.'"

Such hopes have, however, been grievously blasted, the Manifesto continues. During the past five years, civil war has continued to rage, banditry has not been suppressed nor have natural disasters been true with the very integrity of the Party and the Government has not been preserved, thereby giving an opportunity to the Japanese military to invade and occupy our territories.

"We have not, during these five long years, witnessed any implicit faith and confidence we have placed in the Party and the Government. That the results should be so is a bitter fact. Again is a fact over which we can not but feel the most profound regret and indignation. Especially is this true with those among our financial community who have, during these five years, indefatigably promoted and encouraged the United States support of the Party and the Government."

Continuing, the Manifesto cites the example of British political leaders who have courageously sunk their deeprooted Party differences and united together to face their nation's economic crisis.

But economic difficulties in China are even more acute than those now facing Britain and China's difficulties are not confined to the economic. She is now facing a crisis which endangers her very existence, What

really can there be that should prevent our Party and Government leaders from settling their differences and working together in co-operation? asks the Manifesto.

Unfortunately, rumours are prevalent which can not be regarded as encouraging.

"It is our humble opinion that at the present peace conference both sides should make mutual concessions and reach an immediate and early settlement. Should there really be insurmountable obstacles in the way of such a settlement, both ought to invite and accept the mediation of a third party who should bring about a settlement on the basis of mutual concession."

"The power of political tutelage now rests with you. But, you should realize that it is the people who delegate to you this power," the Manifesto adds.

After citing the results of the British elections to show that only those who sacrifice Party differences in the interest of the State can really command the support of the people, the Manifesto goes on to say:—

"The People, realizing that this is the last opportunity for the unification of the Party and the bringing about of a settlement, should make a peace conference tending towards rupture. We consider it to be most fair and reasonable that the Government designate certain legitimate organizations or private individuals of the people who should serve as third party mediators. While we still indulge in the hope that you will reach a compromise without outside intervention, the moment is so urgent that we are constrained to make known our feelings. We need not dilate any more about the gravity of the present political, military and diplomatic situation, to which you must be fully alive. Speaking solely from the standpoint of economic conditions, we consider it as inevitable that should the peace negotiations end in rupture and hopes for re-unification dashed to pieces, the economic power of the people will never be able again to meet the political needs of the government," the Manifesto concludes.—Xuo Min.

SITUATION NEAR TIENTSIN AGAIN "THREATENING."

(Continued from page 7.)

It desires to give such guarantees in the fullest measure and will accept without limit the Council of the League's help in devising and carrying out all other arrangements.

The Chinese Government is glad to note, added Dr. Sze, the Japanese Government's declaration that it would not use force by all possible means, but he pointed out that Japanese troops are still occupying Chinese territory.

In this connection also he said, M. Briand's observations on October 24 must be noted. "The League of Nations," said M. Briand, "is the trustee of the obligations assumed by its members and it is obviously its duty to see that these obligations are honourable."

Article 10 of the Convention states that all members of the league shall respect each other's territorial integrity and political independence. Article 2 of the Paris Pact says: "The high contracting parties agree that the settlement of all disputes or conflict of whatever nature shall never be settled except by pacific means."

It was pointed out that public opinion would find it difficult to understand the military occupation could be ascribed to the category of pacific means. In conclusion, Dr. Sze said: "The League Government is surprised at the Japanese Government's contention that the boycott movement is contrary to Article 2 of the Paris Pact for if the Paris Pact could be held to condemn the refusal of private Chinese to buy Japanese goods, it must, a fortiori, be held to condemn the Japanese Government for keeping its armies in the territory of a fellow signatory of the Paris Pact."

The anti-Japanese feeling, said Dr. Sze, is a direct, natural and inevitable result of the Japanese army in Manchuria and as soon as the cause of the hostility is removed it will die down.

The Chinese Government, he stated, is determined to protect the lives and property of Japanese subjects and to do everything in its power to bring about a prompt and to lay the foundations of permanent peace in the Far East. The Chinese Government is anxious at the earliest possible

GRAVE OUTBREAK IN SUBURBS OF NATIVE CITY.

(Continued from page 7.)

In the Japanese area, along the Ashai Road, barbed-wire closed the entrances into many of the narrow alleys and passages, while the side streets, especially those leading to the west, had sand-bags placed across and men stationed there. At one point a machine-gun was seen while at others there was no admittance.

Two armoured cars were in evidence. One of these was seen to be loaded with ammunition for its two machine-guns, and men, and then proceeded to travel across the Concession. Another car of a like description was apparently held in readiness on Fushikung Road, just behind the Chung Yuen Building.

Many volunteers on bicycles were constantly on the go while motor-cycles carrying uniformed men also rushed about the concession; plain-clothes men were in charge of some of the groups, while others wear arm-bands made their way from one post to another. In front of a building on Nanwa Road a quantity of rifles were stacked. Chinese carrying goods or just trying to move around the Japanese area were searched for arms by the Japanese.

There being no way into the Native City by way of the Ashai Road, or others along the west side of it, an attempt was made to get a view of the happenings in the Chinese area from the Bund. However, no sooner had our representatives put in an appearance on the Japanese Bund just opposite the Italian Concession, than he was informed that occasional rifle fire was aimed at that spot, probably by the Chinese, the bullets coming from the direction of the Public Safety Bureau in the ex-Austrian Concession and from the Chinese Headquarters. While the conversation was progressing, one bullet was heard to whizz past, and as the place was considered rather unsafe, the car was turned around and just as it was beginning to get under way, another shot, much closer to the car, was heard. It appeared as though one of the tires had blown up.

Over the river it was noticed that the Italians were being prepared to cope with any acts directed against their territory as several detachments could be seen in their blue helmets under the shelter of sand barricades.

The tram-car service had to be suspended, as were also the ferries over the river. The latter were at times operated for foreigners only. The International Bridge was closed part of the time yesterday morning.

Information received from the Native City states that all the business in the City is at a standstill and the shops are closed. Schools are also closed. The streets are deserted and nobody is allowed to leave their houses, not even the Government officials. Sand-bags were piled up for the purpose of defence, as further trouble is anticipated.

The Central Station, Tientsin, yesterday morning at 11 a.m. when the Peiping train came through, was quite peaceful, and it was noted that a number of Chinese came down from the train at that station. There were no military movements at the time the train passed that station.

It was announced yesterday that in the 1st and 3rd Special Areas martial law is declared. Residents have to be in their houses by mid-night when the Chinese are bound by curfew from 10 p.m.

In the Japanese Concession, martial law was in force all day yesterday and curfew was also enforced between the hours of 6 p.m. and 7 a.m.

In another attack, it is stated, they gained possession of the sub-station, and captured a quantity of ammunition. Firing was also heard in other directions around Hopai and near the Yui Tung Middle School. A considerable number of the men in long gowns also appeared at the Chinese Racecourse and were driven off by Chinese mounted men.

The Yui Pao alleges that the headquarters of the plain clothes men were established at the Yui Tung Hotel in Fushikung Road and that they were supplied by a certain country. The men were under the command of three leaders, named Chang Feng, Ma Ting-fu and Li Hsi-shang.

His machine, which develops no more than 75 h.p. is only 18 feet long.—Reuter.

FURTHER DETAILS OF OUTBREAK.

Tientsin, Nov. 9. (Morning).

Excitement was rife in the Concessions here last night when firing suddenly commenced in the direction of the ex-Austrian and Japanese Concessions. Audible firing commenced about 10.30 p.m. and continued intermittently throughout the night and the early hours of this morning. At about 10 a.m. this morning it sounded as though artillery had been brought into play. Some quarters said this to be bombs. Straggling shots have been heard throughout the morning up to 10.30 a.m.

Three heavy cordons of armed Chinese Constabulary guarded the approach through the ex-Russian Concession to the International Bridge. It was difficult for foreigners marooned in either the ex-Russian or Italian Concessions passing over this Bridge.

At the boundary of the French and Japanese Concessions on Ashai Road, a number of French and Italian officials foregathered to ascertain the situation. Many were noticed in the neighbourhood of the International Bridge, leaving but a few roads open to the east.

Japanese armoured cars had been brought into action along Ashai Road a few minutes after the alarm had been given. Almost simultaneously barriers had been erected along the aforementioned boundary leaving but a few roads open to the east.

Sniping from roof-tops and upper-story windows had been resorted to and, needless to say, the roads were deserted but for well-placed Japanese patrols and groups of Japanese volunteers here and there.

By 11.30 p.m. the main firing appeared well ahead in the native city. Machine-guns had been brought into action and dug-in along the side-walk of Ashai Road. While electric lights were functioning, it was understood the telephone service in the Japanese Concession ceased, owing to the fact that the Central Office had been interrupted.

—Angelo.

Tientsin, Nov. 9. (Noon).

Barriers in the Japanese and Italian Concessions have not been removed, whilst police and military vigilance on all concession boundaries has not relaxed. Firing has abated considerably. Now and then a spasm of burst is heard in the direction of the ex-Austrian Concession and behind toward the native city.

Many foreign firms and institutions in the Concessions were handicapped this morning as a result of Chinese members of their staffs living over the river being unable to cross. Toward noon, however, the Chinese Police had eased their restriction somewhat to Chinese pedestrians crossing the International Bridge, though at no time to-day were foreigners stopped.

Quite a number of native shops re-opened during the course of the morning along Ashai Road and vicinity. Confusion, however, still prevailed with the ill in the firing. However, in some foreign circles it is felt the trouble is not over with yet.—Angelo.

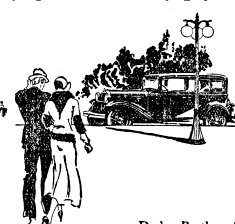
REPORTS IN THE LOCAL PAPERS.

The local Chinese papers published only brief details of the affair, due partly no doubt to the difficulty of gaining information and the lack of news of the outbreak. They state that it began when over 100 men in Chinese long gowns suddenly rushed out from a direction toward the Japanese Headquarters, to the border of the city and attacked the sixth sub-station in the South suburb. The police put up a stout resistance and compelled the attackers to retreat.

In another attack, it is stated, they gained possession of the sub-station, and captured a quantity of ammunition. Firing was also heard in other directions around Hopai and near the Yui Tung Middle School. A considerable number of the men in long gowns also appeared at the Chinese Racecourse and were driven off by Chinese mounted men.

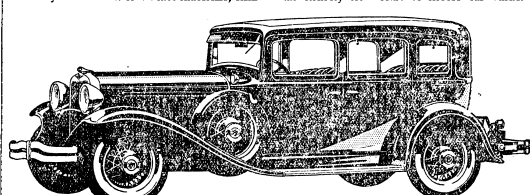
The Yui Pao alleges that the headquarters of the plain clothes men were established at the Yui Tung Hotel in Fushikung Road and that they were supplied by a certain country. The men were under the command of three leaders, named Chang Feng, Ma Ting-fu and Li Hsi-shang.

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DECLASSIFIED: E.O. 11652, Sec. 3(a) and 5(c) or (6).
Department of State, Records, August 10, 1972
by JMO/ML, O. Schachter, NLS, Date 12-13-75

Enclosure No. 2.

Translated and compiled from Official Sources by
special permission.

TIENTSIN, November 9th

On the 8th at 10 pm sudden trouble started in the Chinese City near San Pu Kuan, shots were fired and there was a general uproar. The Chinese guards, the Pao An Toe, were called into action and soon a lively exchange of shots was evident everywhere. As the part of the Chinese City in which the trouble started and was going on, borders direct on the Japanese Concession, our troops were called out to protect the Concession and to prevent the trouble spreading into our territory and the adjacent other concessions, in which, same as in ours, the foreign guards had also been called out and were ready for a defence. No active part in the conflict was taken by our troops, they kept entirely neutral and inactive, occupying the places where our roads continue into Chinese Territory. The trouble in the Chinese City however was getting more intense and more and more stray shots continued to pour into our streets, with the unfortunate result that one of our soldiers was hit and soon afterwards died in Hospital. Matters continued to get worse and the scene of the conflict shifted ever nearer to our Concession, so we sent word to the City Authorities with the request to keep the conflict away at a distance of some 300 meters from our border, as 't was evident that otherwise further casualties could not possibly be avoided and thus would force our troops to take the necessary steps for a proper and effective protection. General Wang replied that he fully understood and appreciated our request and that he agreed to shift the conflict away to such a distance until 6 am at the latest. Our troops further remained strictly neutral so as to give all assistance and ample time to General Wang to carry out what measures he might chose to ensure the necessary withdrawal to the safe distance. From what we could hear however matters seemed to get worse and more and more stray shots poured into our streets with the result that we had another casualty between our soldiers, a sergeant being badly wounded at the same point where our soldier had been fatally hit the night before. It was now past 7 am already and stray shots and crossfire was evident everywhere in all our streets leading towards the borderline, even Asahi Road, our principal thoroughfare, was kept under fire with the sad result that a Japanese lady was hit in the stomach and later on expired in Hospital.--As the time limit set by General Wang had expired long ago and as matters got worse instead of better, there was no choice left to our troops but to a last drive back this dangerous crowd, and in order to do this effectively with the least amount of danger to the Chinese we opened fire upon them with our machine guns and had them driven to a safe distance within a few minutes, since when the conflict has been carried away from our Concession. The firing however continues and it is not known how matters will end nor is it known what is the cause of the uprising. -- It is to be hoped that order will soon be reestablished, as the regulars under General Wang seem to get matters gradually in hands. -

Enclosure No. 3.

TRANSLATION

From the Tientsin Municipal Government to the American
Consul General at Tientsin.

Dated November 9, 1931. No. Special-2.
Received November 10, 1931.

The Tientsin Municipal Government presents its compliments
to the American Consul General at Tientsin, and begs to quote
below a report from the Bureau of Public Safety:

"We have the honor to state that at 10:30 o'clock
on the evening of the 8th instant over 1,000 plain-
clothes rebels attacked the police stations in the
Chinese city from the Japanese Concession. While some
of the rebels were withdrawing at 5 o'clock on the next
morning, two Japanese tanks were parked at Chakow and
at 6 o'clock the Bureau of Public Safety and the Head
Telephone Office were bombarded with guns from the
Japanese Concession and shells were found in the front
of the Bureau. According to the plain-clothes men who
were caught, they were despatched to the Chinese city
by Japanese."

The secret organization of the plain-clothes corps in
the Japanese Concession was known to the Mayor some time ago,
representatives were deputed on several occasions to the
Japanese Consulate, but all our efforts in inducing the
Japanese authorities to apprehend and transfer the rebels
were of no avail, and this unfortunate incident finally
occurred last night. Needless to say, to my regret, the pre-
sented disturbance has resulted from the inaction on the part
of the authorities of the Japanese Concession in checking
the undesirable elements. The Japanese troops are moving
fire arms back and forth with the intent to protect the plain-
clothes rebels and abet their carrying on disturbances.

Under these circumstances the Japanese must be held
responsible in case any harm is done to the lives and property
of foreign nationals and for losses sustained by Chinese.

At 6 o'clock this morning Chairman Wang of the Hopei
Provincial Government was requested by the Commanding Officer
of the Japanese forces to order the police in the Chinese city
to withdraw 300 meters.

While the Chinese police are for maintaining peace and
order in the Chinese area, no one has the right to demand
their withdrawal, in order to avoid misunderstanding the
police has been ordered to evacuate the 300 meter zone. In
this regard the Mayor pointed out in a strong protest lodged
today with the Japanese Consulate that not only should the
Japanese troops stop their advance, but they should also move
back to a similar distance, in order that conflict may be
avoided.

Having despatched similar notes to other Foreign Consuls,
the Mayor directs that the foregoing be conveyed to you with
the request that you take note in the premises.

CHANG HSUEH-MING
Mayor of Tientsin

(Sealed)

TIENTSIN MUNICIPAL GOVERNMENT

Enclosure No. 4.

BIOGRAPHY OF CHANG PI

By Interpreter F. J. C. Liu

CHANG PI (張 平), plotter and ringleader of the plain-clothes corps, born at Paksien, Hpeai Province, in 1883, was graduated from the Paoting Military College and started his official career in the last year of the Tsing dynasty by joining Wang Fa-ch'in (one of Wong Ching-wei's associates) with the late General Sun Tush of the 2nd Kuominchun in revolutionary activities; declared independence with General Hu Ying at Chefoo when the revolution broke out at Puchang in 1912; held an important post in the Military Government until his troops were disbanded after the unification; accompanied the late General Tsei to Yunnan when Yuan Shih-kai made himself emperor and was the Chief of Staff of a certain army; being a northerner, he was expelled and returned to the north with the divisional commander; assisted General Sun Tuen in the Chihli-Anhui (Anfu party) and Chihli-Fengtien conflicts; was Commissioner of Police for Kalgan for about a year; was go-between in the second Chihli-Fengtien war between Long Yu-hsiang, the late Sun Yueh and the late Hu Ching-yi, Commanders-in-Chief of the 1st, 2nd and 3rd Kuominchun respectively; on the recommendation of the late General Sun Yueh he was appointed Commissioner of the Metropolitan Police after the "Feng Yu-hsiang coup d'etat" when General Hwang Foo was the premier; was one of the three delegates, the two being Li Li-ying and General Lu Chung-lin who went to negotiate with the ex-emperor, Henry Puyi, for his peaceful evacuation of the palace; held the post of Co-Director of the Chui Ku Ch'u when Marshal Tuan Ch'i-jui was the Provisional Chief Executive until General Sun Yueh's defeat; proceeded to Hankow with Wang Fa-ch'in as soon as Puchang and Hankow were occupied by the northern expeditionary forces for the purpose of recruiting and pacifying troops in Honan; went to Nanking when relations between Peking (Chiang) and Hankow (Wong) broke and was appointed Chairman of the North-eastern Special Affairs Commission by General Chiang Kai-shek to participate in recruiting reactionary rebels in North China to disturb the rear forces of Fengtien troops; when Peking was taken by the northern expeditionary forces in 1928, he directed the movement of the plain-clothes men in Tientsin who were defeated and dispersed by troops of Kuo Tzuan-chuan and Lu Tso-yi; issued a circular telegram denouncing Chiang when the enlarged Plenary Session was set up last year by Wong Ching-wei, Yen Hsi-shan and others, and was given a high post by Yen; has been hiding in the Japanese Concession ever since the retirement of Yen; until recently engaged with members of the Anfu Clique in the Japanese Concession in the plot against the local governments; and reported to have secretly gone to Pairen on November 12 when the plot met with failure.

November 16, 1931.

Enclosure No. 5.

JAPANESE INFORMATION BUREAU

BULLETIN No.37

Tientsin, Nov. 15, 1931.

INTERNATIONAL INSPECTOR REVEALS CHINESE INSINCERITY

Tientsin, 15 Nov.- Since the outbreak of disturbances in Tientsin native city the Japanese troops have been put in their positions simply to defend the Japanese Concession but without any intention of interference with the Chinese internal strife. However the Chinese armed forces have never ceased firing on the Japanese positions under the pretext of the existence of Chinese plain clothes men in the area between the Japanese boundary and the Chinese position. Japanese soldiers have been ordered from the beginning of the disturbances not to return the fire from the Chinese side unless their positions were exposed to extreme danger from the Chinese firing. The situation took a worse turn from day to day and the Chinese authorities finally approached the Consular authorities asking them if any proper steps could be taken to ameliorate the situation. After several meetings between the two sides, it was arranged to permit the Chinese authorities to make a search for plain clothes men who were said to have secreted themselves in the 300 metre area. The Chinese also insisted that a large number of Chinese people were suffering owing to a shortage of food in addition to there being a number of Chinese who were wounded during the fighting and requiring medical treatment. It was arranged that relief should be carried out on November 12, but on account of insincerity shown to the Japanese representative, when both parties met, in Chinese territory on the N & E boundary, the arrangements were not successful. The Japanese authorities on being acquainted with the Chinese attitude were very indignant and a strong protest was made to the Chinese authorities when it was again arranged to start the searching work on November 14th. On Nov. 14th at 9 a.m., searching was carried out from both sides in the 300 metre area from the east and west sides with Japanese observers including the Japanese Vice Consul and Japanese officers. To the great surprise of the Japanese observers, it was discovered that, during the search, the Chinese authorities against repeated promises had made strong barricades and other defensive constructions including wire entanglements charged with electric current. Prior to this, the Chinese authorities promised the Japanese authorities that no military preparations would be made in the area as it must be kept free of any such works in order to promote the desired solution. Under such circumstances the Japanese authorities considered it necessary and advisable to invite foreign authorities both military and civil to inspect the above area and its defensive measures by the Chinese in order to show the foreign authorities that the Chinese theory was absolutely untrue regarding their pretext for firing in the direction of the Japanese lines. During the search of November 12 also during the inspection of the Foreign official party no plain clothes men were seen, but many Chinese armed police were found who were mostly Chinese soldiers of the regular army but disguised as policemen. When a protest was made to the Chinese against these ruses, they apologised to the Japanese for what had been found and reported to the Japanese authorities that the Chinese troops had been ordered to evacuate the area immediately. As the Japanese authorities have repeatedly declared it was not their purpose to fire on the Chinese front and ordered their troops to keep to their defence lines, it now became quite obvious that the Chinese firing had been done wilfully against the Japanese and not the plain clothes men. They will therefore consider that if, in future, the Japanese positions are fired on by Chinese it will be firing from the Chinese guards and not the plain clothes men. This particular case amounts to the Chinese characteristic of insincerity, and the Japanese authorities are looking forward to the Chinese carrying out their promises to the letter in future.

Enclosure No. 6.

November 14, 1931.

This afternoon we visited the various defense areas for the purpose of taking photographs.

Upon arriving at the north end of Asahi Road (the south end of Tung Ma Loo) we saw a group of American (3), British (1), French (2), Italian (2) and Japanese officers. We learned from Captain Brown, U.S.A., that this group, together with some representatives of the Bureau of Public Safety, were to visit the 300 meter zone. Upon being identified, we were invited to accompany the group. While awaiting the arrival of the Chinese representatives, the senior Japanese officer, Major Miura, informed the group that a search of the 300 meter zone had been made this morning by the Japanese and Chinese. The Japanese found that the zone was criss-crossed with wire entanglements. No plain clothes men were found, but there were policemen and, so the Japanese state, soldiers. The Japanese state that as the wire entanglements were evidently put in place after the Sino-Japanese agreement establishing the zone, and as there are both soldiers and police in the zone, this area now constitutes a danger zone. Major Miura also stated that the Chinese had been warned that as there were now no plain clothes men in the 300 m. zone, the Japanese would be assured that any shots coming from this zone were made by soldiers and police, and that the Japanese would take appropriate action. The sandbag barrier between Asahi Road and Tung Ma Loo, which had been removed earlier in the day and replaced by a canvas screen, was being rebuilt. Major Miura stated that this action was necessary on account of the menace the 300 m. zone now presented to the Japanese Concession.

The representatives of the Bureau of Public Safety (3 or 4), headed by Major Ch'ia (or Hsia), arrived at 3:00 p.m. As soon as they arrived there was a conversation between Major Ch'ia and Major Miura, after which Major Miura announced that the "Chinese now realize their mistake" and orders had been given to remove the wire entanglements in the 300 m. zone. We proceeded on a road (eastwards) towards the Bund --- the Japanese pointing out bullet holes in the walls of buildings on the Japanese side of the road, while the Chinese did the same on their side. Upon arriving at the second alleyway, the Japanese showed policemen and soldiers behind one of the sand bag barricades. The Chinese immediately stated that the soldiers were only civilians, and that there were no soldiers in the zone, in uniform, in mufti, or in police uniforms. Later, the English-speaking interpreter of the Bureau of Public Safety delegation stated that there were perhaps some Chinese in army uniforms in the 300 m. zone, but these were in the employ of the Japanese. We then proceeded along Tung Ma Loo to the corner of Nan Ma Loo, at which point the Japanese stated that the Chinese are now removing the barricades and wire entanglements. Nan Ma Loo was strongly wired and barricaded. The Japanese then stated that no further investigation would be necessary as it was plainly evident that the Chinese had violated the 300 m. zone agreement by fortifying the zone. The Chinese offered no protest, so the party returned to the Japanese Concession. The inspection lasted not more than 30 minutes.

A. I. Ward

H. C. Taylor

Confidential

Enclosure No. 7.

Sunday night

November 15, 1931.

In the hope of smoothing over the friction which happened yesterday, (Saturday) during the joint search within the three hundred meters' zone, General Wang Shu Chang made the supreme endeavor to go to the Japanese barracks himself to explain the real situation to the Japanese commander and to convey his regrets to the latter for the misunderstanding occurred.

General Wang Shu Chang entered the Japanese barracks about 5 o'clock on Sunday afternoon. The conversation lasted a little over three hours. In the end General Wang had to sign a statement written in Japanese and handed to him for his signature which bore contents of which the following is a rough but conservative translation:-

First, as it transpired that it was found yesterday that at a certain point within the 3 hundred meters' zone, a few Chinese constables were found to hold their rifles and other weapons in readiness toward the Japanese side for which situation regrets are hereby tendered.

Second, it is hereby undertaken to stop any publicity that is injurious to Japan's good name.

Third, it is hereby undertaken to remove the barricades and other defence works along the Chinese front throughout the length of the 3 hundred meters' zone (Japanese side refusing to do the same till normal conditions shall resume). Chinese constables (special police) will not enter the said zone which will only be protected by a certain number of ordinary police armed with revolvers.

When the above conversation was being carried on, about 7 o'clock in the evening, machine gun firing was heard from the direction of P'ao-T'ai-Chuang about 1000 meters away in the neighbourhood of Japanese barracks. Several Chinese policemen have lost either their arms or legs as a result of that firing. When General Wang Shu-Chang returned from this visit, it was 8:30 o'clock in the same evening.

Enclosure No. 8.

JAPANESE INFORMATION BUREAU

BULLETIN NO. 40.

ARRANGEMENTS FOR REMOVING OBSTACLES TODAY

Pientsin, November 18.

On the 16th Nov. about 1 p.m. 3 Chinese officials met the Japanese Consul General and his staff at his residence for the purposes of making arrangements in detail for the removing of military obstructions by the Chinese military authorities. The Chinese party were not prepared with any plan or ideas to remove the obstacles but when requested, accepted to bring a definite plan the next morning. On the morning of the 17th November, the Chinese representatives again met the Japanese Consul General and the negotiations continued for several hours when it was finally arranged late yesterday afternoon that the removal of obstacles in the 300 metre area be as follows: 1) The defences established at the Public Safety Bureau and the Telephone Administration in the native city should be removed according to an agreement which will be drawn up separately. 2) The Chinese positions on the line 300 metres from the Japanese boundaries and also within the neutral zone, shall be completely demolished and the materials -- logs, wires, etc., must be removed from this area. 3) The defence measures which have been taken outside the 300 metre zone facing the Japanese concession should also be removed. 4) In the neutral zone no Chinese armed police will be permitted to remain. 5) That the Chinese armed police should retreat immediately from the neutral zone which should now be patrolled by ordinary police. 6) The Chinese authorities may use unarmed police for removing the defensive works in the neutral zone. 7) The work in removing the defences shall be carried out between the hours of 8 a.m. and 3 p.m. 8) The Japanese authorities may make an inspection of the work in case it is desired, the said inspection to take place in the presence of the Japanese and Chinese Commission. The passage at the Chinese and Japanese boundary and the liaison should be indicated with flags. 9) If it is discovered that the removal work is not satisfactory, it should be remedied immediately to ensure the smooth working of the arrangements.

Owing to the insincerity of the Chinese in the carrying out of arrangements made for the past several days, it is hoped by the Japanese authorities that the plans now agreed upon will be carried out faithfully in order to create no further distrust and with the object of restoring normal conditions as speedily as possible.

1335
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

Enclosure No. 9.

TRANSLATION

From the Tientsin Municipal Government to the American
Consul General at Tientsin.

Dated November 19, 1931. No. Special-8.
Received November 20, 1931.

Sir:

We have the honor to refer to the Municipal Government's despatch, in which you were informed of the attack upon the native city on the 8th instant by certain ruffians from the Japanese Concession, and to state that aside from a small number of rebels who are hiding at Paoteichuang, Hsuhuchuen and other places, most of them have been suppressed. In order to avoid misunderstanding with the Japanese, all defence works within 300 meters from the Japanese Concession were on the 19th completely removed and communications in the city at the same time restored to normal. We beg to point out, however, that owing to the failure in withdrawing troops on the part of the Japanese, direct communications between the Chinese city and the Japanese concession remain blocked. It is requested that you take note in the premises.

(Sealed) TIENTSIN MUNICIPAL GOVERNMENT

1301

Enclosure No. 10.

JAPANESE INFORMATION BUREAU

BULLETIN No. 39.

WITHDRAWAL OF CHINESE TROOPS WELCOMED

Tientsin, Nov. 17

It is reported that on the night of the 15th Nov. the Japanese Consul General met General Wang Shu tsang to whom he handed a document relating to the withdrawal of Chinese troops 20 li outside the foreign concessions. General Wang sent an answer to the Japanese Consul General on the afternoon of the 16th Nov. in which he promised to accept the demands of the Japanese government and promised to withdraw the Chinese troops from the native city leaving only a very small number as bodyguards, the detailed arrangements for which carrying out have been made between the Japanese Consul General and the Commission. It is also reported that yesterday afternoon at 3 o'clock the Japanese Vice Consul met the Chinese Commission and after the arrangement for the withdrawal to 20 li outside the foreign concessions, it was fixed to commence the withdrawal early this morning, but the Chinese authorities became somewhat irritated because they have no particular spot where they can station their troops which are now occupying the native city. According to another source of information, General Wang Shu tsang gave orders for the removal of the Chinese troops as follows: the troops which came to Tientsin from Ching Hai hsien should concentrate at Ching Hai hsien, 2 cavalry regiments at the west gate at 9 a.m. and retreat in the direction of Yang Lu ching and two infantry regiments of the 29th Brigade should retreat to Hang Lu-yi commencing at 1 p.m. and the 17th and 15th infantry brigades should also retreat in an agreed direction respectively. All these Chinese troops it is understood should complete their withdrawal by the 17th November, at noon.

The Chinese Bankers Association of Tientsin and also the Chinese Chambers of Commerce are said to have welcomed this plan, considering it the best solution of the local situation and expect an early restoration of commercial life, regarding which they have already started to operate.

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

Enclosure No. 11.

Since the outbreak of the Manchurian incident Ex-Emperor, Pu-yi, who has long been taking refuge in the Japanese Concession, Tientsin, has often met with various forms of intimidation which made him nervous about the safety of his life. According to the police report of the Concession authority, on November 8th he received from an unknown person a present of fruits amongst which were found two bombs bearing the mark "made in the 16th year", and later on, letters of intimidation were also sent to him by mail from the "Head-quarter of Iron-Blood Association at Tientsin Branch of Chinese Communists" as well as from some unknown persons. In addition to these cases a disturbance suddenly broke out in the Chinese city at the night of 8th and it seemed to have extremely frightened him of his safety.

Recently it is reported on the Chinese newspapers that he had escaped the port. On investigation of his retainers it is found out that he left his home in secrecy at the very night of the outbreak of disturbance. However nothing is known so far of his whereabouts and final destination.

Enclosure No. 12.

JAPANESE INFORMATION BUREAU

TIENTSIN, Nov. 11, 1931.

BULLETIN NO. 32

GENERAL SITUATION IN NATIVE CITY UP TILL SIX THIS MORNING

TIENTSIN, Nov. 11. On the night of November 10 firing was heard almost incessantly coming from the direction of the Chinese city. At about two a.m. very heavy firing was heard which occurred quite suddenly from two different directions, one from a point between the Fukushima road and Nan Ma Lu -- the South Gate in the Native City -- and the other point was from a Chinese village about two kilometres from the Japanese barracks.

At five a.m. heavy firing was heard again, together with light gun fire probably trench mortars, during which time several bullets reached and fell within the Japanese defense lines, sometimes very close to the Japanese boundary at a distance of about 50 metres. Some of the Japanese guards saw the Chinese firing in the direction of the Japanese lines. Up till that time the Japanese soldiers kept quiet and did not return the fire, but then they were compelled to fire because the Chinese were very close to them, and they were firing upon the Japanese who finally succeeded in forcing them out from their position. It is not exactly known whether the Chinese firing were exchanging fire between the Chinese regular forces and the plain clothes men, or between the Chinese police forces and the other Chinese marauders.

At about 2.15 a.m. the French Army Headquarters informed the Japanese Military Headquarters that the French forces had despatched about 100 infantry and a Machine Gun section with eight guns to the western part of the French Concession called Lao Ki Kai to take the necessary precautions. The French Army Headquarters also informed the Japanese Military Headquarters that the number of the police force in this district had been doubled.

It was very clearly recognized this morning that the Chinese troops or police forces used some kind of a lighting apparatus directing same towards the Japanese boundary line, followed by firing. The distance that this light was thrown appeared to be within about 100 meters of the Japanese defense lines. The Chinese fired in the direction of the Japanese boundary quite often during last night, and it was also discovered that a certain number of Chinese were hiding themselves behind the Japanese concession, about 50 metres, near the Headquarters of the Japanese Gendarmerie in Fukushima Road, and from their hiding place fired upon the Japanese soldiers, but finally they were dislodged by the Japanese firing.

ABSURD AND FOOLISH RUMOURS.

TIENTSIN, Nov. 11. According to the reports which appeared in the local Chinese press it is alleged that Chang Hsueh-liang despatched a telegram that the Chinese plain clothes men who attacked the Native city, proceeded from the Japanese Concession, etc.. Such reports are nothing but foolish rumours which are now being spread all around the city. According to information obtained in Japanese circles, the Chinese plain clothes men who seemed to have made the attack made their way through the Pa Li Tai and half of them proceeded towards San Pu Kuan passing through the streets close to the Japanese boundary, and the other

half

- 2 -

half entered a small village to the southwest of the Japanese barracks. Those who proceeded to San Yu Kuan immediately clashed with the Chinese police forces there and a portion of them having been beaten found their way into the Japanese Concession, and it was possible that some of them might have entered the Japanese Concession from the Fukushima Road end. It was because of this that firing was once heard at about this spot. The Japanese troops were not in their positions then at that moment, thus permitting of a portion of these plain clothes men to enter into the Japanese Concession, but at about 11:30 p.m. on November 6, when the Japanese had completed their defense line around the Japanese Concession when all these plain clothes men in the Japanese Concession were completely dispelled.

The forementioned being the case, one who does not know exactly what was the commencement of the clash between the Chinese police forces and the plain clothes men might form the opinion that the plain clothes men proceeded from the Japanese Concession to the Native City.

Another foolish rumour also prevailing among the Chinese is that the Chinese plain clothes men were supplied with arms and ammunition from the Japanese, but rumours are not worth paying any heed to. Any responsible Japanese would never give any support to such a group of malcontents. Furthermore, the Chinese papers reported that the Japanese troops fired some heavy guns, but the truth is that at a certain moment when the Japanese first defense line on the boundary was heavily fired upon by the Chinese in spite of the request of the Japanese authorities to the Chinese authorities to stop their men from firing in the direction of the Japanese boundary lines. The Japanese had to take the last steps for safe protection, but never once made use of any heavy fire-arms.

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DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

Enclosure No. 13.

JAPANESE INFORMATION BUREAU

TIEN-TSIN - Nov. 12, 1931.

BULLETIN NO. 33

CHINESE CONTINUE TO FIRE ON THE JAPANESE LINES.

It was all quiet the day time on November 11th but after it was dark firing took place in the native city, rather close to the Japanese boundary. The heavy firing was heard from the direction of the Nankai Girls' School in the native city.

The Chinese have never stopped to fire on the Japanese lines almost all the night, especially on the river side of the Japanese Concession, where one of the Chinese coolies who were working to establish the barricade of the Japanese position was wounded by a bullet came from the Chinese city. The Japanese central line near Akashi and Wuyo Roads and the left line close to the Japanese Barracks were also fired on by the Chinese forces.

The heavy firing on the Japanese position at the eastern boundary of the Japanese Concession took place nearly for one hour from 3.30 this morning but the Japanese guards on the whole line kept silence patiently all the time and they did not return fire except in such cases as they thought that it was inevitable to do so for their self-defence.

The Chinese authorities finally accepted to put their armed bodies 300 metres behind their former positions but at night they often fired on the Japanese lines from a distance approximately 150 metres off the Japanese boundary.

At Tung Ma Lu, about 300 metres from the north-west corner of the native city there are seen five light guns pointing to the Japanese Concession. What for?

ORDERS ARE IGNORED BY THE CHINESE

On November 11th, in the afternoon, the Chinese authorities informed the Japanese Military Authorities that Chang Shueh Liang and Wang Shu Chang gave strict orders to their men not to open fire against the Japanese positions. However, these orders are not carried out by the Chinese armed forces and the Japanese positions have been target of the Chinese firing all through the night.

Enclosure No. 14.

JAPANESE INFORMATION BUREAU

TIENTSIN, NOV. 14th, 1931.

BULLETIN NO. 36

THE CHINESE OUTRAGIOUSNESS

Since the outbreak of the present disturbances in the native city of Tientsin, the Chinese armed bodies have incessantly shot in a direction of the Japanese border where the Nipponese guards are on their positions in order to keep Chinese armed force and marauders away from the Japanese Concession. The Japanese lines are well protected and there is no immediate danger to the foreign Concessions from this side but owing to the incessant firing, mostly at the night time, on the Japanese positions under the pretext of existence of the Chinese plain-clothes men in the area along the Japanese border the Japanese guards were often compelled to return fire to the Chinese police force, who fired on the Japanese lines from a very short distance or unknown places in the Chinese territory.

On the morning of November 9th, the Japanese returned fire, for instance, from their position established on the north-east border of the Japanese Concession. The above position was the target of the Chinese heavy firing for the several hours from the midnight and despite the fact that the Chinese provincial authorities promised the Japanese military authorities, after the repeated protests which were made by the Japanese Military authorities, that the strict orders were given to the Chinese police force on the front not to open fire against the Japanese lines, the Chinese continued to fire on the Japanese positions on the several points and it was resulted that two Japanese victims were reported to the Japanese Troops Headquarters.

In some other cases almost similar to this the Japanese guards were also compelled to return fire but they have never stepped into the Chinese territory. The most significant example of the Chinese outrageous firing on the Japanese positions was given on November 11th, at about 2 a.m., when some sixty Chinese armed policemen appeared on the point about 200 metres from the end of Hashidate Road and immediately they opened fire on the Japanese position in the form of dispersion. The Japanese guards then returned fire on them, sending a just few bullets, and succeeded to drive the Chinese away.

On the same day, at about 3 a.m., the Chinese fired on the Japanese line intentionally from the point about 150 metres from the Japanese border but they were also dispelled by Japanese firing. Again, at 3.30 a.m., about 15 Chinese armed policemen opened fire on the Japanese line but the Japanese guards returned a successful fire on them. They were all Chinese armed policemen and seemed to have spent pretty large number of cartridges.

No wonder that the Chinese military or police forces who have very poor discipline often fail to obey the orders or instructions given them by their superior officers. The motive of the Chinese repeated firing on the Japanese lines is not clearly known but it is afraid that such action on the part of the Chinese side might easily cause a serious consequence at any moment. It is quite obvious that the Chinese fired on the Japanese intentionally and that among the Chinese armed policemen there are many soldiers of the Chinese regular army in disguise.

- 2 -

THE CHINESE ARE AFRAID OF THEIR OWN SHADOWS.

Any foreigner living in this country would not like to set a high value on the Chinese propaganda as it was generally based on some selfish purposes and it is pity to see that the Chinese stories, though often groundless or manufactured by their own hand are swallowed at their face value by those who are not well aware of this characteristic of the Chinese nation.

Since the outbreak of the Sino-Japanese clash in Manchuria and the disturbances in Tientsin native city the various organs under the control of the Nanking government and their agencies are busily engaged in the manufacture of those false stories, which are appearing in papers both Chinese and foreign almost every day. Even a certain foreign news agency in Shanghai reported quite recently a very funny story which was obviously manufactured by the Chinese organ saying that when the Chinese plain-clothes men attacked the native city of Tientsin they proceeded towards the Chinese city passing through the Japanese Concession under the escort of the Japanese armoured cars, etc. etc.

The Japanese Military authorities admit that their armoured cars were once put in action on the morning of November 9th when the Chinese police force continued to fire on the Japanese position at the north-east end of the Japanese Concession against the orders which were given to the Chinese police force by their high authorities who pledged the Japanese authorities that they will stop the Chinese firing and also withdraw their men 300 metres behind. It was during this firing that the two Japanese victims were reported to the Japanese authorities.

Due to the specialty of Tientsin where there are several thousands of foreigners living, the Japanese authorities who are taking the utmost care of the maintenance of the peace and order in the area under their control so that the actual situation will not be aggravated ordered the Japanese troops not to return fire on the Chinese unless they were exposed to an immediate danger from the Chinese firing but to keep silence and have patience as far as possible, because it was not their work to attack the Chinese territory or fire on innocent Chinese people but they were ordered to keep their positions simply to defend the Japanese Concession.

Among the foreigners who are well informed of the actual situation there is a belief to the effect that the reason why the Chinese policemen opened fire on the Japanese positions so promiscuously or even in the air very often was nothing but they were much afraid of their own shadows or probable approach or existence of the Chinese plain-clothes men close to their posts in the area along the Japanese border.

Enclosure No.15.

HAIL OF BULLETS SENT AT BRITISH RESIDENT.

In support of the Japanese Captain Morita's story of the firing by the Chinese at a local resident when attempting to enter Chinese territory on Wednesday, which was reported in yesterday's issue of this paper, Mr. J. P. Lambert of the Hongkong and Shanghai Bank related his experiences of Wednesday to our representative yesterday.

Mr. Lambert stated that he had on several previous occasions made his way through the ex-Austrian Concession and the Native City along Tung Ma-lu, for the purpose of bringing through employees of the Bank, which, like all other concerns, is left with practically no native staff. Each time he made the trip, he attached a Union Jack to his car in a prominent position.

On Wednesday morning he attempted to locate several shroffs and for this purpose proceeded along Asahi Road to the border of the Native City. Here the Japanese Captain stopped him and warned him of the danger. However, after some persuasion, he reluctantly opened a way through the wire entanglement and the car proceeded through. Upon reaching the Chinese barricade made of posts, carts, carts, bricks, wood, sand-bags and many other immovable things, which is about 250 metres in, he had to stop. It was evident that the barricade could not be removed without a certain amount of difficulty as it is made into a solid wall. From either side of the street a number of soldiers crept along the barricade and upon reaching the waiting car, in which was also a coolie of the Hongkong Bank, taken for the purpose of locating the shroffs, told Mr. Lambert that there was no chance of getting through. While the conversation was proceeding, a shot was fired at the Japanese area.

In the course of the conversation with the Chinese soldiers Mr. Lambert noticed a ghastly sight close to the barricade. A wonk dog, sitting on the ground, gripped tightly with its front paws a human head, and eagerly chewed the flesh at the throat. Upon an enquiring glance from Mr. Lambert, the soldiers pointed towards the Tung Ma-lu, where three bodies were lying in the middle of the street.

Requests for a way through either on car or on foot being denied, Mr. Lambert turned his car around, and immediately was greeted with a hail of bullets, apparently coming from snipers, as the lead fell in front of the car. He made a rush for the Japanese border, at the same time blowing his horn. It was a horrible experience, as the Japanese barbed wire entanglement was right across the street, and the bullets passed overhead unceasingly. Captain Morita did not fail the endangered occupants of the car, and from behind the sand-bags sent a soldier to remove the wire. The sentry ran out keeping his head down, and admitted the car, which, upon entering the Japanese territory, was stopped by Mr. Lambert, who together with his Chinese servant took refuge behind the Japanese sand-bags. They remained there for about fifteen minutes while between forty and fifty shots were fired. One of these hit the right hind mud-guard of the car. When Captain Morita decided that it was safer, he told Mr. Lambert to get into his car and go full speed, with which advice the latter complied, as the road for several hundred yards is absolutely straight, the bullets having a clear path. Although the Japanese soldiers were thus endangered, the shots being deliberately directed at the car and the Japanese area, the Japanese sentries did not attempt to retaliate, in accordance with the orders from their commander.

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

MET

FROM

GREEN

Tokio

Dated December 23, 1931

Rec'd 3:30 a.m.

Secretary of State,
Washington

275, December 23, 2 p.m.

The French Ambassador advises me that he has just delivered a note to the Japanese Government again deprecating any advance in force towards Chinchow, as implied in a statement made by Honjo, commanding Japanese forces in Manchuria, to visiting Military Attaches three days before, announcing Japanese intention of insisting upon the retirement of the Chinese army behind the Great Wall. He was instructed to get in touch with the British Ambassador who has just received instructions to make similar representations, and with me. I have already given him the purport of your instructions to me contained in your telegram No. 262, December 12, 9 p.m., and my resulting representations to the Japanese Government.

HPD

FORBES



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793.94/3290

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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

DOCUMENT FILE

NOTE

SEE 893.00 P.R. Tsingtao/44 FOR #685

FROM Tsingtao (Chase) DATED Nov 24, 1931
TO NAME 1-1127 ope

REGARDING:

Growing alarm among both the Japanese and the Chinese and the preparing
by both to meet eventualities. Much of the confusion is caused by propoganda.

ek

793.94/3291

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Department of State letter, August 10, 1972
By Milton O. Guiterson NARS, Date 12-18-75

DEPARTMENT OF STATE
DIVISION OF FAR EASTERN AFFAIRS
December 23, 1931.

THE UNDER SECRETARY
JAN 8 1932
DEPARTMENT OF STATE

~~WCH:~~
~~SKN:~~
~~ROM:~~
~~CHD:~~
~~LE:~~

In the attached despatch dated November 25, 1931, the Consul General at Mukden gives an account of the arrest and detention of Dr. Wu Lien-teh by the Japanese military authorities. Dr. Wu is a Chinese physician internationally known in connection with his pneumonic plague prevention work in Manchuria. The treatment of Dr. Wu by the Japanese military authorities appears to have been disgraceful. Dr. Wu finally obtained his release by declaring himself to be a British subject.

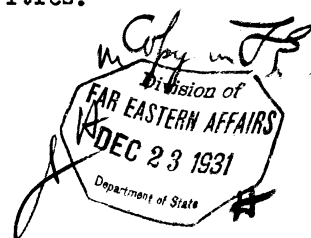
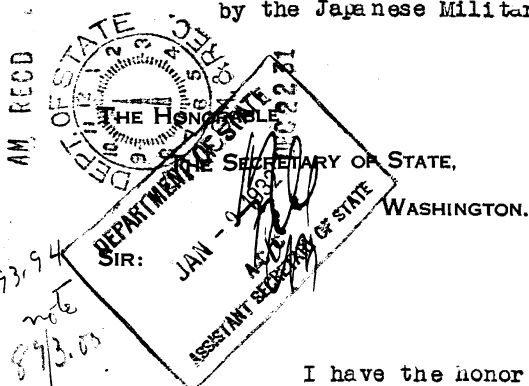
~~JEY~~

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Lustigsm NARS, Date 12-18-75

No. -----

AMERICAN CONSULATE
GENERAL,
Mukden, China, November 25, 1931.

SUBJECT: Arrest and Detention of Dr. Wu Lien-teh
by the Japanese Military Authorities.



I have the honor to enclose herewith a copy of
my despatch No. 491, to the Legation, Peiping, China,
dated November 23, 1931, on the above subject.

Respectfully yours,

M. S. Myers
American Consul General.

✓
Enclosure:

Copy of despatch No. 491, to
the Legation, Peiping.

MSM:HTW
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JAN 12 1932

FILED

No. 491

AMERICAN CONSULATE GENERAL

Mukden, China.

November 23, 1931.

SUBJECT: Arrest and Detention of Dr. Wu Lien-teh
by the Japanese Military Authorities.

CONFIDENTIAL.

The Honorable

Nelson Trusler Johnson,

American Legation,

Peiping, China.

Sir:

I have the honor to give the following account of the arrest and temporary detention of Dr. Wu Lien-teh by the Japanese military authorities. Although Dr. Wu requested that no publicity be given the unfortunate incident, it is understood that several of the newspaper correspondents made reports to their papers and it is believed that the Legation will wish to have an official statement of the incident.

Dr. Wu had been in Harbin and north Manchuria for some time in connection with his plague prevention work. Conditions in that section required especially careful attention due to the seasonal importation of furs and skins. On November 15th he left north Manchuria with the intention of investigating conditions in south Manchuria which is also under his control. When he

arrived

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Department of State letter, August 10, 1972
By Milton O. Lustig NARS, Date 12-18-75

- 2 -

arrived at Changchun on November 16th he was placed under arrest by Japanese military authorities and brought to Mukden where he was immediately put in confinement in one of the Chinese houses seized by the Japanese at the time of the military occupation. It was revealed in the cross questioning which followed that the Japanese suspected Dr. Wu of having been the source of certain detailed information concerning conditions in Manchuria and in particular concerning the seizure of the revenues of the Salt Gabelle at Newchwang, information which had been used by the Nanking Government in its communiques to the League of Nations. Needless to say the information in the form in which it was sent out was not pleasing to the Japanese. Dr. Wu disavowed any knowledge of the matter or connivance therein. He informed his examiners that his mission to Manchuria was purely scientific and that he had confined his activities solely to investigating plague conditions. His position as an internationally known and supported scientist, Dr. Wu stated, made it inadvisable that he allow himself to become involved in the national politics of China.

His statement of his case, however, did not satisfy his Japanese examiners nor dispel their suspicions. With the idea, no doubt, that the pressure of discomfort would bring forth the desired confession, Dr. Wu was imprisoned in a damp and lightless cellar the second night of his

Confinement

- 3 -

confinement, where he was kept until noon of the next day without a bed upon which to sleep and with insufficient clothing and blankets to keep him warm.

This treatment brought from Dr. Wu a confession but not the one expected by the Japanese. He was forced to disclose the fact that he is a British subject, having been born in Singapore. Although his reasons for not wishing ^{to} disclose this fact are not clear, it appears that he was anxious to avoid the necessity of having to place reliance upon his foreign nationality for assistance. He was released on the afternoon of November 18th amidst profuse apologies on the part of his Japanese captors, who stated that he should have revealed his nationality immediately upon being arrested as it was their desire to avoid disturbing or inconveniencing foreigners. Dr. Wu departed for Dairen by train on November 20th.

The Japanese military authorities, although fully aware of Dr. Wu's character as an internationally known and respected scientist, subjected him to treatment which endangered his health and was insulting to him as a person. Throughout his detention he was not allowed to communicate with foreign or Japanese consular officials or private individuals, many of whom would have vouched for the non-political character of his mission. It is interesting to observe in this connection that the South Manchuria Railway Company contributes toward the support of his work.

The

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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

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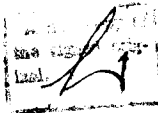
The incident reflects no credit upon the Japanese military authorities and is deplored by intelligent Japanese civilians and consular officials.

Respectfully yours,

M. S. Myers.
American Consul General.

Original and one copy to Legation.
Five copies to Department.
Copy to Embassy, Tokyo.
Copy to Consulate General, Harbin.

JCV: AAB
800.



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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75



EMBASSY OF THE
UNITED STATES OF AMERICA

No. 2065.

Paris, December 9, 1931.

DEC 22 31

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F/LS

793.94/3293

The Honorable

The Secretary of State,
Washington, D. C.

Sir:

In compliance with the Department's
instruction No. 293 of August 19, 1930, I
have the honor to transmit herewith clip-
pings from the French newspapers, on the
subject of the Sino-Japanese conflict,
covering the period from December 5 to
December 9, 1931, inclusive.

Respectfully yours,

For the Chargé d'Affaires ad interim:

Williamson S. Howell, Jr.,
First Secretary of Embassy.

Enclosures.....

- 2 -

Enclosures (single copy):

Clippings from the following newspapers:

December 5, 1931.

- No. 1 - L'AVENIR
2 - EXCELSIOR
3 - L'HUMANITE
4 - L'INFORMATION
5 - LE JOURNAL
6 - L'OEUVRE
7 - LE PETIT PARISIEN
8 - LA REPUBLIQUE

December 6, 1931.

- No. 9 - EXCELSIOR
10 - FIGARO
11 - L'HUMANITE
12 - LE JOURNAL
13 - L'OEUVRE
14 - LE PETIT PARISIEN

December 7, 1931.

- No. 15 - EXCELSIOR
16 - FIGARO
17 - L'HUMANITE
18 - LE JOURNAL

December 8, 1931.

- No. 19 - EXCELSIOR
20 - L'HUMANITE
21 - LE JOURNAL
22 - LE PETIT PARISIEN
23 - LE TEMPS

December 9, 1931.

- No. 24 - L'ECHO DE PARIS
25 - EXCELSIOR
26 - L'HUMANITE
27 - LE JOURNAL
28 - LE PETIT PARISIEN

In quintuplicate.
710.
RS/jdk

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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

Avenir 5

Enclosure No. 1 to Despatch No. 2063
of December 9, 1931.
From the Embassy at Paris.

Extract from L'AVENIR, December 5, 1931.

LE CONFLIT MANDCHOURIEN

Les troupes chinoises marchent sur Moukden

*Le Japon refuse de signer
le projet du Conseil de la S. D. N.*

Le Conseil de la Société des Nations n'a pas tenu hier de séance officielle, M. Yoshizawa n'ayant pas encore reçu les nouvelles instructions de son gouvernement.

Il y a d'ailleurs tout lieu de croire que ces instructions n'apporteront aucun changement à la situation existante et qu'elles ne feront que rappeler la thèse japonaise qui maintient comme contrepartie du retrait des forces japonaises à l'est de la rivière Liao sa demande du retrait des troupes chinoises de Tcheng-Hsue-Liang au delà de la « Grande Muraille » et se déclare prêt, dans ce cas, non seulement à laisser aux autorités et à la police locale chinoises l'administration de la zone, mais à prendre devant le Conseil l'engagement solennel de ne pas l'occuper à nouveau militairement.

Quelque bonne volonté que montre le Japon à satisfaire aux requêtes du Conseil de la Société des Nations, il est manifeste que tout arrangement est impossible en présence de l'attitude agressive des troupes chinoises de Mandchourie.

Que celles-ci agissent sur les ordres du gouvernement de Nankin ou contrairement à ses instructions, peu importe, les faits seuls comptent ; or, le dernier signalé par les dépêches c'est que la situation à Moukden est grave parce que les troupes chinoises, venant de trois directions différentes, marchent sur la ville dans le dessein d'assiéger le quartier général de l'armée japonaise.

Des soldats chinois venant de Kin Tchéou avancent vers Tsin Min ; d'autres, venant de Tchang Sou et de Fa Kou Men, se dirigent sur la ligne Ta Hou-Chan Tounng Liao.

Tchang Sué Liang, qui avait proposé l'établissement d'une zone neutre avec des troupes étrangères, continue à concentrer ses forces près de Kin-Tchéou.

Ces mêmes dépêches annoncent que le retrait des forces japonaises est considéré par les Chinois comme un signe de faiblesse.

Ainsi s'affirme de plus en plus le péril qu'il y a à traiter avec un gouvernement de mauvaise foi ou bien sans autorité sur ses ressortissants.

C'est pourquoi il ne faudra pas s'étonner quand on connaîtra les nouvelles instructions de M. Yoshizawa que celles-ci lui enjoignent, comme on croit le savoir, de ne pas souscrire au projet de résolution élaboré par le Conseil de la Société des Nations.

Henri GALLIEN.

1355

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

Enclosure No. 2 to Despatch No. 2063
of December 9, 1931.
From the Embassy at Paris.

Extract from EXCELSIOR, December 5, 1931.

LES NÉGOCIATIONS SINO-JAPONAISES ENTREPRISES SOUS LES AUSPICES DE LA S. D. N. SONT AU POINT MORT

Journée creuse hier encore, M. Yoshizawa étant venu dans la soirée informer M. Briand qu'il n'avait pas encore pu faire complètement déchiffrer les nouvelles instructions qui avaient été rédigées dans la matinée, à Tokio, au cours d'une séance extraordinaire du Conseil des ministres. Il faudra donc attendre à ce matin pour connaître exactement le point de vue japonais en ce qui concerne la résolution du conseil de la Société des nations. On sait toutefois — et M. Yoshizawa en informa hier M. Briand, tout comme M. Matsuida le confirmait à lord Cecil — que le cabinet de Tokio maintient presque toutes ses positions en ce qui concerne le retrait des troupes chinoises derrière la Grande Muraille, ainsi que relativement à la répression du brigandage. La thèse japonaise est qu'il s'agit là de mesures de police auxquelles les neutres n'ont pas à se mêler.

Dans la soirée, le conseil des Douze

tint une nouvelle réunion où l'on essaya d'établir d'une façon précise la délimitation de la zone neutre devant Tchinn-Tchao. Toutefois, comme une certaine confusion existe à ce sujet en ce qui concerne l'attitude japonaise, le comité de rédaction se réunit à 8 h. 15 pour rédiger un télégramme aux ambassadeurs de France, de Grande-Bretagne et des Etats-Unis à Tokio. Les précisions qu'ils ont été chargés d'obtenir du gouvernement japonais sont, croyons-nous, établies sous la forme d'un questionnaire très clair auquel il paraît difficile de répondre autrement que par oui ou non.

Ce matin, on espère que M. Yoshizawa pourra communiquer ses nouvelles instructions à M. Briand, et sa visite à notre ministre des Affaires étrangères sera suivie d'une réunion des Douze, qui aura lieu soit à la fin de la matinée, soit dans l'après-midi.

— MAURICE RAYMONDE.

Enclosure No. 3 to Despatch No. 2063
of December 9, 1931.
From the Embassy at Paris.

Extract from L'HUMANITE, December 5, 1931.

Debout contre la guerre impérialiste!

**LES IGNOBLES MARCHANDAGES
CONTINUENT A PARIS
POUR LE DÉPECEMENT
DE LA CHINE
ET LA GUERRE
CONTRE L'UNION SOVIÉTIQUE**

**En Mandchourie, le Japon prépare
de nouvelles opérations militaires**

La presse observait hier au sujet des événements d'Extrême-Orient une retenue grosse de menaces.

Hier soir, le Conseil de la S. D. N. s'est réuni en séance secrète pour étudier les documents communiqués par M. Yoshizama, portant sur les amendements que le Japon entend voir apporter à la résolution et à la déclaration présidentielles.

Nous avons noté hier l'essence des objections japonaises. Mais rien n'est résulté de cette séance, si ce n'est l'assurance que le Japon ne fera aucune concession et est prêt à une nouvelle offensive sur King-Tchéou.

Nous avons indiqué l'aiguïssement des antagonismes interimpérialistes dans le Pacifique qui se reflète dans la discussion épineuse autour de la création de la « zone neutre », dont le statut doit préparer l'intervention des puissances en Chine pour combattre l'essor révolutionnaire et faire de la Chine une place d'armes en vue de la guerre contre l'Union soviétique.

L'U. R. S. S. qui a, en toute occasion, manifesté sa volonté de paix, a tout fait pour ne pas prêter le flanc à une attaque précise des impérialistes que les incessantes provocations ont pour but d'amorcer. Le gouvernement soviétique a dénoncé avec force les opérations de brigandage impérialiste qui s'effectuent et sont en préparation en Chine. Mais en faisant tout le possible pour éviter la guerre, l'Etat ouvrier

sait qu'il travaille à éviter une conflagration mondiale, plus terrible que la boucherie de 1914-1918. Et nous sommes aux côtés de nos frères soviétiques dans la lutte contre la guerre impérialiste dont tous les tenants de la préparation aboutissent à Paris.

La lutte des puissances

Cependant, n'ayant pas encore pu provoquer la guerre ouverte contre le pays florissant du socialisme, les puissances sont de plus en plus entraînées vers l'abîme par la crise générale qui s'accroît avec rapidité. La recherche de marchés les jette avec apreté les unes contre les autres. La lutte pour le partage de la Chine, entrée dans sa phase active avec l'invasion de la Mandchourie par les troupes nippones, devient tragique. Les premières passes d'ar-

mes se déroulent entre le Japon et les Etats-Unis, le premier ayant le soutien tout puissant de la France impérialiste. Washington déploie toute son activité pour accélérer l'éclosion d'un conflit entre le Japon et l'U.R.S.S. — voulu par tous et dont l'impérialisme français est le principal artisan — pendant qu'il intrigue pour contrecarrer les visées japonaises sur la Chine septentrionale où les impérialistes américains ont de gros intérêts et veulent les étendre. Et Tokio s'emploie à lutter contre l'influence de Dawes au conseil de la S.D.N.

C'est là, à l'heure présente, le fond du débat. D'ignobles marchandages sont pratiqués dont l'enjeu est la guerre antisoviétique et le dépeçement de la Chine. La S.D.N. est le bouge où se traitent en comité secret ces marchés entre les bandits impérialistes.

**Vers une nouvelle offensive
japonaise**

Les opérations de guerre du Japon menacent donc de reprendre à bref délai dans le sud de la Mandchourie, pouvant engendrer peut-être un grave conflit avec les Etats-Unis. Le ministre de la guerre japonais vient d'ordonner l'envoi de nouveaux renforts en Mandchourie : un détachement du régiment des chemins de fer de la division de la garde impériale de Tokio est parti d'urgence.

La situation en Extrême-Orient reste donc des plus graves. Et toutes les forces capitalistes poussent à la guerre, avant tout à la guerre contre l'Union Soviétique. Nous avons déjà fourni à nos camarades une documentation importante pour leur travail d'agitation contre la préparation à la guerre de l'impérialisme français. Mais dans les autres puissances, financiers et exploiters d'ouvriers appellent aussi de toutes leurs forces l'abominable crime dont ils attendent et l'arrêt de la crise et l'enrichissement.

**Les réactionnaires norvégiens
souhaitent la guerre**

Le *Morgenbladet*, organe central du parti conservateur de Norvège, écrivait, le 30 novembre, dans un article sur la situation économique :

Y aura-t-il une guerre en Orient ? Cela paraît peut-être brutal, mais pour des motifs de conjoncture, une guerre est très désirable. Une guerre augmentera les besoins en navires, les prix augmenteront également et la spéculation va se ranimer. Ceci signifie un changement pour le commerce extérieur en faveur des pays neutres et l'accroissement des commandes pour leur industrie. Tout le monde poursuit donc avec le plus vif intérêt le développement en Mandchourie. Aussi bien le marché de marchandises que la bourse enregistrent tout ce qui se passe. Si la chose devient sérieuse cela signifie une stimulation formidable pour la vie économique du monde entier, cela est incontestable.

Comme on voit, les mercantis de chair humaine de Norvège ne le cèdent en rien en cynisme à leurs congénères de France.

Quant à nous, nous disons également qu'une guerre est désirable, mais c'est la guerre de classe qui détruira la classe des fauteurs de guerre, qui écrasera le capitalisme. C'est cette guerre-là qui, seule, assurera la paix par la révolution prolétarienne et l'instauration du pouvoir soviétique dans le monde.

M. MAGNIEN.

Enclosure No. 4 to Despatch No. 2063
of December 9, 1931.
From the Embassy at Paris.

Extract from L'INFORMATION, December 5, 1931.

La Mandchourie

SON ROLE ÉCONOMIQUE — SON AVENIR

Le dernier numéro de la revue anglaise *The Economist* contient un long article consacré à la Mandchourie d'où nous extrayons les considérations suivantes qui sont d'une brillante actualité :

« On aurait tort de considérer la Mandchourie comme un pays lointain, hors d'atteinte et où le rayonnement de la S. D. N. ne saurait utilement s'exercer. En réalité, la Mandchourie se trouve placée très près du cœur du monde moderne, pour son bien ou hélas, pour son mal. Pour parler franchement, la Mandchourie pourrait fort bien devenir le théâtre d'une guerre mondiale dans laquelle non seulement la Chine et le Japon, mais l'U. R. S. S., les Etats-Unis et l'Empire britannique se trouveraient impliqués. De même, si l'on passe du plan politique au plan économique, bien qu'il y ait un long chemin de la rivière Nonni aux rives de la Tamise, les rapports économiques qui unissent la Mandchourie du Nord au Lancashire sont remarquablement étroits si l'on tient compte de l'intermédiaire.

Cet intermédiaire c'est le Danemark. Les viandes de boucherie provenant du Danemark constituent l'un des principaux éléments qui entrent dans l'alimentation britannique et sont le principal produit d'exportation du Danemark lui-même. Or, les Danois élèvent leur bétail avec des denrées d'importation, notamment des tourteaux fabriqués avec le « soja » provenant de Mandchourie. Ce simple détail suffit à montrer, entre mille, l'importance du rôle joué par la Mandchourie dans la vie générale du monde.

Il convient, en outre, de noter que la Mandchourie est un pays neuf à la fois au point de vue économique et politique. Les premières expéditions de « soja » provenant de la Mandchourie remontent seulement à 1908. L'immigration des agriculteurs chinois en Mandchourie ne commença qu'après la chute de la dynastie mandchoue en 1911. De même, les exportations au Japon de charbon provenant des mines de Foushoum ne s'élèverent qu'à 110.000 tonnes en 1912 alors qu'elles atteignirent 1.849.000 tonnes en 1929.

Au point de vue politique, l'importance de la Mandchourie est également récente. Les Russes ne s'y établirent qu'en 1896-98 ; les Japonais en 1905 ; le revirement qui s'est produit dans les relations politiques entre la Mandchourie et la Chine n'eut lieu qu'en 1911.

Du XVII^e siècle de notre ère à 1911, la Chine se trouvait, vis-à-vis de la Mandchourie, dans la même situation que l'était l'Angleterre par rapport à la Normandie, après la conquête normande. Depuis 1911, les relations de la Mandchourie par rapport à la Chine sont analogues à celles des îles anglo-normandes (Jersey, Guernesey) d'aujourd'hui vis-à-vis de l'Angleterre. Le pays qui a donné le jour aux derniers empereurs nomades et barbares de la Chine est maintenant devenu « les trois provinces orientales » de la République chinoise.

Le développement social et économique de la Mandchourie actuelle pourrait encore mieux être comparé à celui de l'Amérique du Nord au cours du 19^e siècle. On peut observer en ce moment « sur le vif » en Mandchourie une phase d'histoire sociale qui est déjà dépassée dans le nouveau monde. En Mandchourie, on retrouve maints phénomènes constatés en Amérique du Nord pendant le siècle dernier : un vaste pays (la superficie de la Mandchourie équivaut à celles de la France et de l'Allemagne réunies) ; une énorme affluence d'immigrants ; un réseau de chemins de fer activement développé pour amener les immigrants vers l'intérieur et transporter leurs produits exportables vers les côtes ; une jeune industrie minière et manufacturière installée à proximité de la côte ; une industrie agricole et des exploitations forestières encore plus jeunes dans l'intérieur des terres (l'une et l'autre, d'ailleurs, opérant sur une grande échelle) ; enfin, un régime politique rappelant celui du « Wild West » aux abords de la frontière.

L'immigration est le facteur le plus important de tous, car c'est la clef de l'avenir politique et économique. Une nation qui vient peupler un pays vide ne saurait manquer à la longue de devenir complètement maîtresse de ce pays et, dans la Mandchourie du 20^e siècle, les Chinois du Nord jouent le rôle prépondérant qui fut joué par les Européens du Nord en Amérique pendant le 19^e siècle.

Le vieux mot d'ordre impérial : « la Mandchourie aux Mandchous » est complètement périmé. Les Mandchous sont devenus ce que deviennent les Peaux-Rouges ; et ce ne sont ni les Russes, ni les Japonais qui ont pris leur place, mais les Chinois.

La population actuelle de la Mandchourie est évaluée à 27 millions d'habitants (à peu près comme la Pologne), mais alors que le tiers de la population de la Pologne n'est pas polonais, il n'y a guère qu'un vingtième de la population en Mandchourie qui n'est point chinoise (les Russes, les Japonais, les Coréens et les Mandchous pris ensemble). Ces dernières années, il arrivait annuellement 1 million de Chinois par an en Mandchourie, chiffre supérieur à l'accroissement total de la population au Japon. Il n'y avait en 1928 que 203.000 Japonais et 893.000 Coréens (sujets ou ex-sujets japonais).

Ces Coréens sont pour la plupart fixés en dehors de la zone japonaise, sur un territoire administré par les Chinois. Ils se consacrent presque exclusivement à la culture du riz. Or le climat et la nature du terrain, en Mandchourie paraissent peu propices à la culture du riz et sont plutôt favorables à celle du blé, et surtout du soja. Socialement et politiquement, les Coréens en Mandchourie demeureront probablement à un niveau inférieur à celui des Chinois par suite de la concurrence redoutable de l'agriculture chinoise. Quant aux 200.000 Japonais ils se cantonnent dans la zone japonaise (Dairen, Port-Arthur) dans la zone du chemin de fer de la Mandchourie du Sud et dans les concessions de Moukden, Antoung et Tinkow. Ils sont pour la plupart commerçants, fabricants ou employés dans les transports, et jouent un peu le rôle tenu par les Allemands et les Juifs dans les provinces polonaises de l'Empire allemand avant la guerre : administrateurs ou techniciens, ils ne cultivent pas la terre.

D'ailleurs, les Japonais eux-mêmes ont reconnu leur impuissance à coloniser l'intérieur de la Mandchourie. Le Sud-Mandchou, compagnie de chemins de fer japonaise, qui exerce une prépondérance incontestée sur toutes les autres institutions économiques de la Mandchourie, a d'ailleurs adopté comme politique celle qui consistait à favoriser la colonisation chinoise. Elle estimait, en effet, que le développement, dans la population du pays, de la race qui est la plus capable de mettre en valeur le sol mandchou profiterait aux Japonais de deux façons : Tout d'abord cela fournirait au Japon une source sans cesse croissante de matières premières et ensuite un marché de plus en plus important pour ses produits fabriqués. En 1929, le volume total du commerce extérieur de la Mandchourie s'élevait à 755.255.360 taels d'Hai-Kouang, dont 367.608.645 taels représentaient ses échanges commerciaux avec le Japon. Les exportations, qui n'étaient que de 113 millions de taels en 1913, atteignaient, en 1929, 425 millions et les importations 329 millions contre 125 en 1913. Le soja représentait plus de 55 0/0 des exportations et les cotonnades 21 0/0 des importations. D'après les statistiques du chemin de fer de la Mandchourie du Sud le montant total des placements japonais en Mandchourie serait de 1.687 millions de yen, dont 716 millions investis directement, 318 millions prêtés aux chemins de fer chinois, 98 millions d'avances du gouvernement japonais à la Chine et 554 millions de placements divers.

En conclusion de son étude, l'*Economist* écrit : « Si la politique pouvait un jour être éliminée de la question mandchoue, le libre jeu de l'activité chinoise et japonaise dans le développement de ce grand pays neuf constituerait l'idéal, car il répond aux besoins économiques les plus pressants de ces deux peuples. Les Chinois ont besoin d'un pays vierge pour leur excédent de population paysanne ; la Mandchourie le leur fournit grâce à l'organisation industrielle et commerciale japonaise. Les Japonais ont besoin de matières premières et de débouchés, or la Mandchourie leur assure tout cela grâce à l'immigration chinoise. Pourquoi la collaboration de l'activité chinoise et de l'activité japonaise en Mandchourie ne deviendrait-elle pas aussi féconde et aussi amicale que la collaboration des capitaux britanniques et des pionniers américains qui a édifié les Etats-Unis au siècle dernier ? »

Enclosure No. 5 to Despatch No. 2063
of December 9, 1931.

From the Embassy at Paris.

Extract from LE JOURNAL, December 5, 1931.

LE CONSEIL DE LA S.D.N.
constate que l'établissement
de la zone neutre dépend
d'un accord sino-japonais

Le conseil de la Société des nations ne s'est occupé, hier, que de la question de la zone neutre de Tchén-Tchéou. Cette question a fait l'objet, à la fin de l'après-midi d'une délibération des Douze, précédée de conversations de M. Briand et de M. Yoshizawa, de M. Matsudaira et de lord Robert Cecil, et d'un entretien du Dr Sze avec le secrétaire général sir Eric Drummond.

M. Yoshizawa a présenté à M. Briand un exposé très clair de la situation, précisant les points que nous avons indiqués hier. Il ne faut pas perdre de vue que le Japon a retiré ses troupes depuis cinq jours derrière le Liao, tandis que les Chinois n'ont manifesté aucune velléité de se retirer de la zone dont ils ont été les premiers à proposer la neutralisation. Sans doute, quand ils ont fait les propositions, ne pensaient-ils pas que les Japonais les prendraient si rapidement au mot.

Après avoir donné cette preuve de conciliation, le Japon, comme l'a dit M. Yoshizawa, est pleinement fondé à réclamer d'abord l'exécution de la proposition chinoise, c'est-à-dire le retrait des troupes derrière la Grande Muraille.

Pour ce qui est de l'organisation administrative et des mesures de police, M. Yoshizawa a insisté très vivement pour que l'on ait recours aux négociations directes proposées par le Japon. Dans un pays comme la Mandchourie, l'organisation d'une zone neutre ne peut pas se faire comme dans les pays européens. L'opération ne peut être réglée que sur place par des gens connaissant bien la situation.

Il ne faut pas perdre de vue, par ailleurs, que la Société des nations n'a à s'occuper que de prévenir les collisions et les effusions de sang. Elle a rempli toute sa mission en faisant accepter l'établissement d'une zone neutre.

Comment peut-on avoir la prétention de demander au gouvernement de Nankin de répondre du maintien de l'ordre dans une région qui ne dépend pas de lui et qui a été administrée jusqu'ici par Tchang Hsue Liang. Si le conseil se mêlait de cette affaire, il serait entraîné dans l'imbroglio des affaires chinoises dont nous avons indiqué hier la complication. Il importe d'autant plus de laisser l'affaire à une négociation directe entre les Chinois et les Japonais qu'il apparaît de plus en plus que le gouvernement de Nankin fait pression sur Tchang Hsue Liang pour l'empêcher de s'entendre avec les Japonais.

Voilà les arguments qui se sont présentés devant la réunion des Douze. La conclusion logique est que la conversation directe entre les Chinois et les Japonais est la solution la plus simple.

Si la question de la résolution du conseil et de la déclaration du président n'a pas été abordée, cela tient au fait que M. Yoshizawa n'a pu communiquer à M. Briand les instructions de son gouvernement. Celles-ci n'ont été complétées que dans l'après-midi d'hier. Quand nous disons complétées, nous entendons que c'est seulement à ce moment que la délégation japonaise a reçu les instructions concernant la déclaration du président du conseil, qui mentionne le droit du Japon de réprimer les attaques de bandits organisés. On sait que cette déclaration présidentielle est la clef de tout, puisque le Japon ne peut accepter la résolution telle qu'elle a été préparée que si la déclaration lui donne satisfaction en ce qui concerne les nécessités du maintien de l'ordre.

On considère que les modifications qui seront demandées aujourd'hui par la délégation japonaise, tant en ce qui concerne la déclaration que la résolution, n'ont que le caractère de changements secondaires de rédaction, qui ne peuvent pas soulever de grosses difficultés.

Il reste, il est vrai, toutes les possibilités de résistance des Chinois, au moins jusqu'au moment où le conseil de la Société des nations se décidera à faire comprendre, pour la résolution comme pour la zone neutre, qu'il est temps d'en finir. — S.-B.

Enclosure No. 6 to Despatch No. 2063
of December 9, 1931.
From the Embassy at Paris.

Extract from L'OEUVRE, December 5, 1931.

LE CONFLIT SINO-JAPONAIS DEVANT LA S.D.N.

Où l'idée d'une force
internationale
prend corps
malgré toutes les ironies

Devant le Conseil
de la S.D.N. de nouveau
les deux parties
sont en présence

Evidemment, si l'approbation venait d'un général français, l'idée que M. Jacques Hadamard exposait ici le 14 novembre aurait cause gagnée. Les moqueurs seraient bouche bée.

Mais, enfin, voici qu'elle a, tout de même, celle d'un général chinois. Nous l'avons relaté l'autre jour : un des généraux chinois engagés dans la future zone neutre refuse de renoncer à sa responsabilité et de se retirer, tant que cette zone ne sera pas gardée par des patrouilles internationales. Il ne voit pas d'autre remède.

Sans doute, un lieutenant non plus ne vaut pas un général.

Mais un lieutenant de réserve qui, comme celui qui nous a écrit, s'est engagé à 17 ans en 1914, a des centaines de lieutenants derrière lui et des milliers de combattants.

Voilà le renfort que nous sommes heureux d'apporter aujourd'hui à la proposition de M. Hadamard.

Je vous ai signalé déjà, nous écrit le lieutenant Boudouresque, l'importance de l'opinion des communes éloignées, habituellement à l'abri des grandes intrigues de l'argent et de la politique.

C'est en effet d'un tout petit village de Vaucluse, Venasque (riez, riez toujours monsieur Vautel!) qu'il fait partir son mouvement. L'ampleur en est déjà imposante. Ses Foyers de la Paix se propagent du Vaucluse en Haute-Saône, de Haute-Saône en Calvados.

Voici leurs vœux. Nous les avons communiqués à M. Hadamard. Il y applaudit de grand cœur :

1° Que M. le président Briand n'hésite pas à provoquer la constitution provisoire d'une « garde internationale », qui emploierait un nombre considérable de chômeurs, encadrée par des officiers et sous-officiers volontaires des « armées de réserve » et commandée par des officiers supérieurs des armées actives ;

2° Que cette garde provisoire occupe, sous le contrôle de la S.D.N. les territoires d'influence japonaise en Mandchourie et une certaine zone de protection.

3° Que les frais de constitution de ce corps soient assurés par souscription publique internationale ;

4° Que les frais d'occupation des territoires soient fournis par le Japon et par la Chine.

M. le lieutenant Boudouresque ajoute :

Je vous expose cela en m'efforçant d'être simple et d'éviter les phrases à effets absolument inutiles. Il me suffira pour prouver que notre mouvement est sincère, de passer des paroles aux actes et d'offrir dès maintenant mon engagement personnel.

Croyez que je serais récompensé de beaucoup de peines si mon nom pouvait figurer le premier parmi les volontaires et servir ainsi d'exemple.

Cela fait sans aucune exaltation et en raison du calcul suivant, très froidement posé :

1° Il est indispensable que la S.D.N. profite de l'occasion unique qui se présente à elle, d'affirmer aussi bien sa vitalité que sa volonté ;

2° Ma présence parmi des milliers de volontaires internationaux réunis par l'idée de la paix, me permettra de créer des liens de camaraderie et d'amitié qui nous rapporteront ensuite, en quelques mois, plusieurs milliers de futurs présidents de comités de sauvegarde et d'organiseurs de Foyers de la Paix.

Nous ne voudrions pas diminuer par des objections touchant la pratique diplomatique immédiate de

Cette présence s'est manifestée, hier, d'abord par deux longs entretiens, du délégué japonais avec M. Briand, et du délégué chinois avec sir Drummond, secrétaire général de la Société des Nations.

Puis, à 18 heures, les douze se sont réunis.

Etait-ce pour la communication officielle des réponses des deux gouvernements concernant la zone neutre ?

Etait-ce avant leur arrivé ou avant leur déchiffrement, pour l'examen de réserves et d'amendements corollaires ?

Etait-ce pour l'exposé purement verbal de nouvelles instructions envoyées à chacun ?

Les trois versions ont couru. Aucune n'a été affirmée. Aucune n'a été démentie.

La seule chose qui semblait certaine, tard dans la soirée, c'est que l'on « piétinait ». On le disait, d'ailleurs, sans le prendre au tragique. Mais on commençait à parler « hivernage ».

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Nous ne voudrions pas diminuer par des objections touchant la pratique diplomatique immédiate de ce grand moyen, l'évidence d'une recherche, d'un devoir vers lesquels, à l'heure actuelle, convergent le sentiment des hommes mêlés de près à des circonstances écrasantes et la conviction que, dans leur âme et conscience, professent modestement ceux qui, depuis dix-sept ans, ont ajouté aux peines de la guerre les tristesses de la paix.

Qu'il nous suffise de rappeler que derrière ces sollicitations et ces promesses émouvantes se replace, de lui-même, le souvenir du président Wilson sur qui se jetèrent, aussi, tant de colères et de sarcasmes.

Il avait réclamé, pour la sauvegarde du « covenant », une armée internationale. Il ne l'obtint pas.

Il avait réclamé, pour rendre visible, en certains cas, la personne morale du covenant et obliger les nations à la voir, un drapeau (bleu foncé semé d'étoiles). Il ne l'obtint pas.

Si la zone neutre pouvait être jalonnée avec le drapeau aux couleurs de la Société des Nations, pourquoi n'aurait-il pas, sur-le-champ, la force d'arrêt d'un drapeau parlementaire ?

Cette présence s'est manifestée, hier, d'abord par deux longs entretiens, du délégué japonais avec M. Briand, et du délégué chinois avec sir Drummond, secrétaire général de la Société des Nations.

Puis, à 18 heures, les douze se sont réunis.

Etait-ce pour la communication officielle des réponses des deux gouvernements concernant la zone neutre ?

Etait-ce avant leur arrivage ou avant leur déchiffrement, pour l'examen de réserves et d'amendements corollaires ?

Etait-ce pour l'exposé purement verbal de nouvelles instructions envoyées à chacun ?

Les trois versions ont couru. Aucune n'a été affirmée. Aucune n'a été démentie.

La seule chose qui semblait certaine, tard dans la soirée, c'est que l'on « piétinait ». On le disait, d'ailleurs, sans le prendre au tragique. Mais on commençait à parler « hivernage ».

P.P.S

Enclosure No. 7 to Despatch No. 2063
of December 9, 1931.
From the Embassy at Paris.

Extract from LE PETIT PARISIEN, December 5, 1931.

LE CONFLIT SINO-JAPONAIS

**Le conseil de la S.D.N.
s'est occupé hier
de la zone neutre
de Kingtchéou**

C'est seulement à la fin de l'après-midi d'hier que le conseil de la S. D. N. a pu reprendre ses travaux. Dans la matinée, en effet, si le Dr Sze avait bien reçu les instructions du gouvernement de Nankin, il n'avait pas encore eu le temps de les déchiffrer. Quant à M. Yoshizawa, à qui était parvenue, dès jeudi soir, une partie des siennes, il en attendait encore, hier soir, la seconde partie, dont l'expédition lui avait cependant, dès la veille, été annoncée de Tokio.

La partie déchiffrée ayant trait à la zone neutre de Kingtchéou, M. Yoshizawa avait pris pour 16 heures un rendez-vous avec M. Briand au Quai d'Orsay. Le chef de la délégation japonaise a pu, par conséquent, exposer en détail au président du Conseil les vues de son gouvernement qui maintient comme contre-partie du retrait des forces japonaises à l'est de la rivière Liao sa demande du retrait des troupes chinoises de Tchang Hsue L'iang, au delà de la « Grande Muraille » et se déclare prêt, dans ce cas, non seulement à laisser aux autorités et à la police locale chinoises l'administration de la zone, mais à prendre devant le conseil l'engagement solennel de ne pas l'occuper à nouveau militairement.

Des observateurs étrangers, il n'est, on le voit, pas question. Depuis plusieurs jours, en effet, les Japonais n'ont pas varié sur ce point. Ils persistent à ne pas admettre l'immixtion de tiers dans les affaires de Mandchourie, qu'ils entendent régler par des négociations directes avec les Chinois. C'est d'ailleurs pour cette raison que M. Shigemitsu, le ministre du Japon, avait fait, la semaine dernière, le voyage de Nankin; mais il s'est heurté chez M. Wellington Koo, le ministre des Affaires étrangères chinois, à une conception si différente de la situation qu'il n'a pas insisté et est rentré à Changhaï.

Cette conception chinoise se trouve exposée dans le memorandum de deux pages dactylographiées que M. Sze a remis hier à sir Eric Drummond, et qui a été distribué aux membres du conseil au cours de la séance privée. Le cabinet de Nankin y retire presque la proposition, faite jadis par lui, de repli des troupes chinoises derrière la Grande Muraille, cette proposition ayant été, dit-il, subordonnée à l'établissement d'une sorte de contrôle des observateurs étrangers qui auraient servi, comme l'a suggéré ensuite le conseil, d'agents de liaison entre les commandants des forces chinoises et japonaises, en vue des arrangements nécessaires dans la zone neutralisée.

Les Japonais ne voulant pas entendre parler des observateurs, la situation apparaît presque sans issue. Les « Douze » l'ont examinée hier soir sous tous ses aspects, M. Briand, lord Robert Cecil, MM. Scialoja, Fotitch et Colban prenant la plus grande part à ce débat particulièrement embrouillé. Finalement, l'un d'eux a fait remarquer, avec beaucoup de raison, que toute cette discussion au sujet de l'administration de la zone neutre lui semblait superflue.

N'y a-t-il pas, a-t-il dit, la résolution du 30 septembre qui lie les deux parties et qui leur interdit, à l'une et à l'autre, « toute initiative de nature à aggraver la situation » ? Toute avance de l'une ou l'autre armée dans le territoire que nous prétendons neutraliser ne constituerait-elle pas une violation des engagements solennellement pris devant le conseil ? Ne risquons-nous pas, en un mot, d'affaiblir ces engagements au lieu de les renforcer ?

La question de la répression des bandits ayant été également soulevée, il fut décidé de demander à la délégation japonaise certaines précisions supplémentaires afin de savoir, notamment, si le droit qu'elle réclame d'exécuter des opérations de police s'applique également à la zone neutre ou simplement au reste de la Mandchourie. Lord Robert Cecil, qui s'est entretenu hier, de son côté, avec M. Matsudaira, n'a pas pu, lui non plus, préciser ce point. Un nouvel entretien aura lieu aujourd'hui entre M. Briand et M. Yoshizawa, lorsque ce dernier apportera au président du conseil la réponse de Tokio concernant les projets de résolution et de déclaration présidentielle. Peut-être permettra-t-il d'éclaircir, enfin, une situation que les débats des derniers jours semblent avoir singulièrement compliquée.

Albert JULLIEN

Enclosure No. 8 to Despatch No. 2063
of December 9, 1931.
From the Embassy at Paris.

Extract from LA REPUBLIQUE, December 5, 1931.

LE CONFLIT SINO-JAPONAIS Vers un apaisement ?

Le conflit sino-japonais est encore un conflit, mais tend à n'être plus un danger mondial. Nous nous garderons, certes, d'un optimisme hâtif. Les nuages les plus noirs s'éloignent, mais l'horizon est encore très chargé.

Il faudra dire un jour quels trésors d'habileté et de patience ont été déployés pour amener le Japon à comprendre qu'il ne s'agissait pas en cette affaire uniquement d'intérêts japonais. Il faut se souvenir que si un Oriental admet fort bien de jouer un rôle actif dans les affaires d'Occident, il ne conçoit pas bien qu'un Occidental puisse arbitrer les affaires d'Orient. Il est donc nécessaire de vaincre un préjugé avant de réfuter une doctrine. Les Japonais, depuis leurs triomphes du début du siècle, ont été traités par l'Europe en enfants gâtés.

Ils se résignent mal aujourd'hui à n'être plus que des plaideurs là où ils souhaitaient être des maîtres.

Ils ne repoussaient pas notre intervention, ils jugeaient que nous n'étions pas fondés à intervenir.

Qu'on juge, dès lors, quelle virtuosité doit être déployée pour amener le cabinet de Tokio à comprendre notre attitude avant même que de discuter nos arguments.

La partie n'est pas encore gagnée, mais il est d'ores et déjà prouvé que lorsqu'il existe une volonté de paix servie par une lucidité exceptionnelle, la cause de la paix n'est pas perdue.

M. Aristide Briand ne s'est laissé décourager par aucune considération. Il a tenté l'impossible... et il semble de plus en plus que les faits donnent raison à celui qui, pour la première fois, ne met pas l'audace au service de la guerre !

Gabriel CUDENET

Enclosure No. 9 to Despatch No. 2063
of December 9, 1931.
From the Embassy at Paris.

Extract from EXCELSIOR, December 6, 1931.

**LA JOURNÉE D'HIER
AU CONSEIL DE LA S. D. N.
A ÉTÉ ASSEZ AGITÉE :
LE DÉLÉGUÉ CHINOIS SZE
A VOULU SE DÉMETTRE**

Cette décision avait été prise par lui à la suite du vote, par la colonie chinoise de Paris, d'une motion de blâme aux représentants de la Chine au Conseil. Mais le gouvernement nationaliste de Nankin a refusé la démission du Dr Sze.

**LE COMITÉ DE RÉDACTION ACHÈVE
SES TRAVAUX ET NE DÉSESPÈRE PAS
D'EN FINIR LUNDI**

La journée d'hier a été fertile en incidents, à la Société des nations. On avait appris dans la matinée que le

comité de rédaction avait fait pression auprès de la délégation chinoise pour qu'elle accepte les termes de l'amendement japonais qui exige le retrait des troupes de Tchang Sueh Liang derrière la Grande Muraille. L'on fit même comprendre aux délégués chinois qu'ils ne pourraient compter sur l'appui d'aucune grande puissance pour arrêter la marche des Japonais si elle se produisait. Les Japonais insistaient de leur côté — et M. Ito le confirma au cours de la conversation qu'il eut avec M. Briand — sur la reprise des négociations directes entre les deux parties. En réalité, la délégation japonaise maintenait toutes ses positions, non seulement en ce qui concerne les deux points ci-dessus, mais également sur tous ceux se rapportant à l'établissement de la zone neutre que certains voudraient voir s'étendre de Moukden à Tching-Tao. Par contre, les Japonais s'engageraient, si toutes ses conditions étaient remplies, à ne pas occuper Tching-Tao et à respecter l'intégrité territoriale de la zone libre.

Le coup de théâtre

Il se produisit quelques instants avant l'heure fixée pour la réunion du comité des Douze, sous la forme d'un télégramme Reuter de Nankin annonçant que le Dr Sze et M. Wellington Koo étaient démissionnaires.

Quelques instants après, un communiqué nous informait que ce fut sur les instances de la colonie chinoise de Paris que le Dr Sze avait été appelé à prendre cette décision. Un meeting avait été tenu la veille « pour manifester contre l'impuissance de la Société des nations à régler l'affaire de Mandchourie ». Et une série de résolutions avaient été adoptées :

Elles demandaient entre autre :

1° Que l'on précise la date de l'évacuation des troupes japonaises avant toutes négociations ;

2° Que la commission d'entente surveille l'évacuation et évalue le bilan des dommages causés à la Chine en vue des réparations.

3° De refuser la création d'une zone neutre ;

4° Enfin, d'invoquer l'article 10 et au besoin l'article 16 du pacte et de s'abstenir d'assister aux réunions du conseil, et même de se retirer de la Société des nations si la résolution n'était pas satisfaisante.

Devant ce véritable ultimatum, le Dr Sze télégraphia à Nankin en demandant à son gouvernement d'accepter sa démission. On apprit d'ailleurs, peu après, que cette démission n'était pas acceptée.

Dans ces conditions, la séance des douze ne devait pas être de longue durée. On se contenta de convoquer à nouveau le comité de rédaction qui se réunira demain à 15 heures, d'abord avec le délégué chinois, ensuite avec le délégué japonais, dans le but d'établir un texte définitif en prenant en considération les objections du Japon au texte primitif.

Et l'on espère, cette fois, que la résolution du conseil et la déclaration présidentielle pourront être définitivement présentées lundi. Toutefois, elle ne fera aucune mention de la zone libre qui fera l'objet d'une autre déclaration qui ne pourra être mise au point que dans quelques jours.

On voit que la situation, après trois semaines de discussions, est toujours aussi embrouillée. — MAURICE RAYMONDE.

Fig. 6

Enclosure No. 10 to Despatch No. 2063
of December 9, 1931.

From the Embassy at Paris.

Extract from FIGARO, December 6, 1931.

Le Conflit sino-japonais

Pendant que le Conseil de la Société des nations siégeait, hier après-midi, au Quai d'Orsay, on apprit tout à coup que le ministre des affaires étrangères de Nankin, M. Wellington Koo, et le représentant de la Chine au Conseil, le docteur Szé, avaient démissionné. On s'enquit, et l'on eut confirmation de la nouvelle : M. Koo et M. Szé avaient offert leur démission. Celle du docteur Szé n'a pas été acceptée. On ignore si celle de M. Koo a été favorablement accueillie.

L'offre de démission du représentant de Nankin à la Société des nations est, à vrai dire, assez originale. La colonie chinoise à Paris avait tenu, avant-hier soir, un meeting au Quartier Latin, au cours duquel les Cèlestes avaient manifesté leur mécontentement à l'égard du docteur Szé et lui avaient imposé, ainsi qu'à la Société des nations, des directives précises. Le docteur Szé reçut une délégation à minuit, et il envoya immédiatement après à son gouvernement le texte du télégramme suivant :

« Une délégation de la colonie chinoise vient de me demander d'accepter les deux propositions suivantes : 1° Abstention d'assister au Conseil ; 2° Retrait immédiat de la S. D. N. J'ai répondu à cette délégation que je suivrai ces directives aussitôt que j'en aurai reçu l'ordre du gouvernement. Entre temps, je vous demande de bien vouloir accepter ma démission, en raison de mon incapacité en la circonstance, et de choisir un meilleur successeur. Attendrai votre réponse. — Signé : Szé. »

Est-il besoin d'ajouter que le conseil n'a aucunement avancé dans la voie d'un accord. La Chine s'oppose maintenant à la création d'une zone neutre dans la région de Tchén-Tchéou. On mande de Tokio que des troupes chinoises se concentrent dans les environs de cette ville, ainsi que dans la région de Moukden. Le Japon aurait l'intention d'intervenir sans retard pour les disperser. Le conflit sino-japonais est loin, on le voit, de prendre fin.

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Department of State Letter, August 10, 1972
By Milton O. Gustafson NARS. Date 12-18-75

Enclosure No. 11 to Despatch No. 2063
of December 9, 1931.
From the Embassy at Paris.

Extract from L'HUMANITE, December 6, 1931.

RENFORÇONS LA LUTTE POUR LA DÉFENSE DE L'U.R.S.S.

On découvre à Kharbine des armes envoyées par le Japon aux provocateurs russes-blancs en Mandchourie

L'impérialisme nippon prépare
une nouvelle avance de ses troupes vers la Chine du Nord



Sur le front de Mandchourie les brancardiers japonais enlèvent les morts

Un demi-silence de commande continue à régner dans la presse française, relativement aux graves événements d'Extrême-Orient. C'est que le heurt des intérêts impérialistes en Chine ne laisse pas de gêner les plans de l'impérialisme français. Toute la diplomatie est mobilisée pour arriver à la conclusion du compromis qui doit constituer la base de la lutte contre les Soviets chinois pour le dépècement de la Chine et de la guerre antisoviétique à l'Est.

Hier, le comité de rédaction de la résolution, si contestée, et les Douze (le conseil moins les représentants de la Chine et du Japon), se sont réunis pour examiner les exigences de l'impérialisme japonais, que nous avons déjà exposées ici. D'après quelques rares renseignements, il apparaît que les Japonais exigent que leur soit reconnu le droit (?) de traverser la fameuse « zone neutre » — qui n'est pas encore définie — pour imposer leurs conditions et aller « faire œuvre de police » dans la Chine du Nord. L'impérialisme français



M. SZE
délégué chinois au Conseil de la
S.D.N., qui a donné, hier, sa démission

est tout disposé à reconnaître ce « droit » au Japon, puisque la jonction serait de ce fait facilitée entre les troupes japonaises et le corps expéditionnaire prévu pour aller combattre l'armée rouge des soviets chinois.

Une nouvelle avance japonaise

D'ailleurs, des nouvelles tendancieuses et dont le but n'échappe à personne, sont répandues sur le pré-

C'est ainsi que le journal de Billet écrit :

« Quelque bonne volonté que montre le Japon à satisfaire aux requêtes (?) du Conseil de la Société des Nations, il est manifeste que tout arrangement est impossible en présence de l'attitude agressive des troupes chinoises de Mandchourie ».

Déjà, d'après certains télégrammes, on déclare à Tokio que « en raison des concentrations de bandits au Sud de Moudken, une légère (?) avance japonaise est envisagée » pour occuper les points évacués au Nord et à l'Ouest de King-Tchéou.

D'autre part, les forces navales japonaises qui croisent dans les eaux chinoises sont prêtes à entrer en action quand le moment sera jugé favorable.

De son côté, le gouvernement du bourreau Tchang-Kai-Shek, derrière lequel il y a l'impérialisme des Etats-Unis, ne capitule pas devant le Japon aussi vite que le voudrait l'impérialisme français. Les Chinois insistent pour que les « observateurs » étrangers contrôlent la « zone neutre ». C'est-à-dire pour que les opérations de guerre contre la révolution chinoise et l'U.R.S.S. soient dirigées par les représentants des puissances, tout en ne permettant pas au Japon d'étendre son occupation au nord de la Chine — que veulent s'approprier les impérialistes américains.

Deux démissions retentissantes

Mais en Chine le mouvement anti-impérialiste ne fait que croître, en même temps que s'accroît la lutte des masses travailleuses contre le Kuomintang qui livre la Chine aux impérialistes. Des manifestations puissantes se déroulent dans tous les centres ouvriers contre l'intervention des puissances, pour la libération de la Mandchourie et contre les massacreurs Tchankaishekistes. Le précédent ministre des affaires étrangères de Nankin, Wang, avait été « corrigé » par des manifestants. Hier soir, l'agence Reuter communiquait que M. Wellington Koo, nouveau ministre, aurait donné sa démission.

Et au même moment on apprenait qu'à la suite d'une réunion de la colonie chinoise à Paris, une résolution avait été envoyée au docteur Szé, représentant de la Chine au Conseil de la S. D. N. La résolution réclame de lui qu'il insiste sur la fixation de la date d'évacuation des troupes japonaises, et refuse la création d'une zone neutre dans les conditions voulues par le Japon.

A la suite de ceci, M. Szé a télégraphié sa démission à Nankin « en raison de son incapacité en la circonstance ».

Ces démissions, si elles témoignent de l'impopularité croissante du Kuomintang en Chine, signifient encore autre chose : l'entière dépendance des gens du Kuomintang de l'impérialisme qui exige d'eux qu'ils agissent dans les intérêts de leurs bailleurs de fonds de Paris ou de Washington.

Les provocations des gardes-blancs...

Pendant ce temps, l'activité des gardes-blancs russes se développe à Kharbine et aux frontières de l'U. R. S. S. Les complots se multiplient. La presse blanche de Kharbine est pleine de provocations antisoviétiques.

Nous avons déjà signalé que le *Kharbinskaïa Vremia* a annoncé dernièrement que des raids pour provoquer des explosions dans « des établissements japonais » auraient été préparés avec la participation « d'un agent du Guepeou », et l'arrestation à cette occasion des nommés Fleming et Sokolovski.

Maintenant il est définitivement établi que toute cette histoire de préparation d'attentats dans les « établissements nippons », n'est pas autre chose qu'une mise en scène japonaise. Les autorités chinoises de Kharbine qui ont arrêté Fleming et Sokolovski ont établi que l'un d'eux est un sujet letton et que l'autre est un émigré naturalisé chinois.

Les journaux publient une lettre que ce dernier écrivit récemment dans laquelle il offrait ses services à la délégation japonaise et où il se déclarait prêt à entrer au service des nouveaux groupements chinois. Sokolovski et Fleming ont été chargés de préparer un plan de prétendus attentats « contre les institutions japonaises ».

Dans le *Messenger de l'Ouvrier et Paysan Cosaque*, que nous avons déjà cité, nous relevons encore une histoire de « complot » contre le sanglant Semenov : les bolcheviks « auraient préparé l'enlèvement » de cette canaille !

Les conspirateurs, lisons-nous dans ce bulletin russe-blanc, à la tête desquels se trouvaient l'aventurier international Treitch-Lincoln (cet individu est un agent de l'INTELLIGENCE-SERVICE, qui intrigue présentement en Mandchourie sous le nom de Chao-Kung M. M.) et l'agent soviétique Michel Borodine (voyez-vous cette association !) tentaient sous divers prétextes d'attirer le général Semenov du Japon en Chine.

Actuellement, Semenov s'intéresse fortement au bouddhisme ; les provocateurs envoyés lui ont proposé de faire un voyage dans un des antiques monastères bouddhistes de Chine.

Mais quelqu'un a prévenu le général du danger qui le menaçait. A la dernière minute, le voyage fut décommandé.

Il n'y a pas de doute que la présence de Pataman Semenov en Extrême-Orient inquiète les bolcheviks. En cas de guerre entre le Japon et l'U.R.S.S., au général sera assigné un rôle qui n'est pas des derniers.

C'est là, bien imprudemment, dévoiler le rôle du chef des gardes-blancs russes dans le travail de provocation à la guerre contre l'Etat ouvrier.

... à qui le Japon fournit des armes

Les bandes blanches de Mandchourie sont payées, organisées, armées par les impérialistes de Paris et de Tokio. Les Japonais, nous avons été les seuls à le dévoiler, ont fourni des armes aux généraux chinois de Mandchourie pour les entraîner à la guerre contre l'U. R. S. S. Le général Ma — que l'on disait équipé par les Soviétiques — a reçu des armes du Japon, passées en contrebande par un bureau japonais de Dairen, attaché à l'administration du chemin de fer sud-mandchourien.

Vous lirez plus loin une dépêche de l'agence Tass, signalant encore la découverte à Kharbine de caisses d'armements et de bombes destinées aux Russes blancs. L'impérialisme japonais, en accord avec l'impérialisme français, déploie donc une grande activité pour mettre au point toutes les modalités de l'agression contre l'Union Soviétique, agression dans laquelle « le rôle assigné aux bandes de Semenov ne sera pas des derniers », comme écrit le *Messenger Cosaque*.

Toutes ces combinaisons des puissances au Conseil de la S. D. N., tous ces heurts d'intérêts, tous ces préparatifs d'agression antisoviétique témoignent de l'imminence de la guerre impérialiste.

L'impérialisme mène la guerre pour tenter de solutionner la crise. A bas le régime capitaliste fauteur de guerre ! Debout partout pour la défense de l'U. R. S. S., pour la paix par l'action révolutionnaire de masse !

M. MAGNIEN.

Enclosure No. 12 to Despatch No. 2063
of December 9, 1931.
From the Embassy at Paris.

Extract from LE JOURNAL, December 6, 1931.

LE DOCTEUR SZE et le ministre chinois des affaires étrangères offrent leur démission mais Nankin la refuse

Journal 12/6
L'affaire sino-japonaise nous a offert hier une scène de vaudeville. C'est l'interprétation la plus charitable que l'on puisse donner de l'épisode de la fausse sortie du Dr Sze et de M. Wellington Koo. Que faudrait-il penser si on prétendait nous faire prendre l'affaire au sérieux ?

Il est minuit, et le chef de la délégation chinoise au conseil de la Société des nations repose tranquillement. Pendant ce temps, des délégués des colonies chinoises d'Europe tiennent au quartier Latin un meeting où, après des discours incandescents, les jeunes nationalistes votent dans l'enthousiasme une motion réclamant : 1° La fixation d'un délai pour le retrait des troupes japonaises avant toute négociation ; 2° La limitation du mandat de la com-

Une délégation est chargée de remettre séance tenante ces desiderata au Dr. Sze. Celui-ci accepte de les communiquer à son gouvernement, en ajoutant dans son télégramme cette phrase dont on appréciera la saveur :

« En réponse à cette délégation, j'ai dit que je suivrais les propositions dès que j'en aurais reçu l'ordre du gouvernement. Entre temps, je vous demande de vouloir bien accepter ma démission, en raison de mon incapacité dans la circonstance, et de choisir un meilleur successeur. J'attendrai votre réponse. »

En fait de réponse, le ministre des affaires étrangères, M. Wellington Koo a offert, lui aussi, sa démission. Le chef du gouvernement, Tchang Kai Check, a invité les deux diplomates à conserver leurs fonctions. Il a vraiment d'autres soucis que de se prêter à ce jeu !

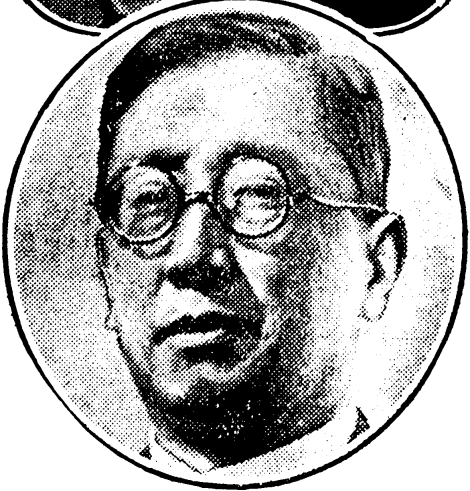
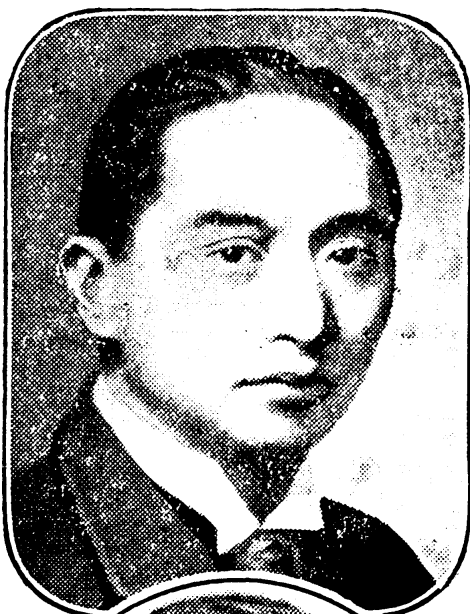
Cette petite histoire est tout à fait dans la manière chinoise. Peut-être même justifie-t-elle un peu trop la théorie d'après laquelle il est assez difficile de considérer actuellement la Chine et son gouvernement comme répondant aux conditions ordinaires d'un Etat organisé. Elle rappelle plus encore le fait, trop oublié, que le gouvernement du Dr Sze et de M. Wellington Koo, n'est que le gouvernement de Nankin, que son autorité se limite à la région de Nankin et qu'il serait bien incapable de se faire obéir en Mandchourie.

Avons-nous besoin de dire que l'incident a fait quelque tapage dans les coulisses de la Société des nations et jusqu'au conseil ? Il ne manquerait plus vraiment que d'encourager une manœuvre par trop puérile, qui voudrait donner l'impression d'une résistance dont les Chinois sont bien incapables.

On va d'ailleurs en faire l'expérience. Aujourd'hui même, la Chine va être mise en demeure de dire une bonne fois ce qu'elle entend faire au sujet de la zone neutre de Tchén-Tchéou. C'est elle qui a proposé la création de cette zone. C'est elle qui a déclaré que, si les Japonais retiraient leurs troupes, elle ramènerait les siennes derrière la Grande Muraille. Les Japonais se sont retirés. Non seulement les troupes chinoises n'ont pas fait un pas en arrière vers Chan-Hai-Kouan, mais elles donnent l'impression de chercher à préparer une marche en avant. Cette comédie-là aussi doit finir.

M. Ito a communiqué hier matin, au comité de rédaction, les amendements que le Japon demande au projet de résolution et au projet de déclaration du président du conseil. La séance a duré deux heures et demie. Elle a été suivie, dans l'après-midi, d'une courte séance du conseil des Douze. A la suite de quoi M. Ito a présenté la réponse de la délégation japonaise à la demande qui lui avait été faite par le comité de rédaction de communiquer des suggestions, au sujet des deux points principaux restant en suspens. Ces deux points sont : 1° la suppression du paragraphe 5, qui invite la commission d'études à présenter un rapport si, au moment de son arrivée, le retrait des troupes n'est pas achevé ; 2° Le passage de la déclaration du président du conseil qui stipule que, quand le Japon s'engage à ne pas recourir à des actes d'hostilité, il réserve le droit légitime de défense pour assurer la protection de la vie et des biens de ses nationaux.

On continue à parler, dans la coulisse, de la composition de la commission d'études. Il semble bien que le quatrième poste de délégué doive revenir définitivement à l'Italie. Mais le cinquième est disputé très vivement à l'Allemagne par les petites puissances. Il y en a une évidemment, la Belgique, qui serait tout à fait qualifiée par l'importance de ses intérêts en Chine. — S.-B



M. WELLINGTON KOO
Docteur SZE

mission d'études à la surveillance de l'évacuation et à l'établissement du bilan des réparations exigées par la Chine ; 3° Le refus de la création d'une zone neutre ; 4° L'évocation de l'article 15 et de l'article 16 du pacte de la Société des nations relatifs aux cas de guerre. Faute d'obtenir satisfaction sur tous ces points, le représentant de la Chine est invité à s'abstenir de se présenter au conseil et à demander le retrait immédiat de la Chine de la ligue de Genève.

Enclosure No. 13 to Despatch No. 2063
of December 9, 1931.
From the Embassy at Paris.

Extract from L'OEUVRE, December 6, 1931.

Le Conseil de la Société des Nations a reçu l'assaut de redoutables nouvelles

Cela a commencé dans la nuit du 4 au 5. Des Chinois habitant Paris, qu'un communiqué privé appelle pompeusement : « la colonie chinoise en Europe », que le communiqué officiel de la délégation chinoise nomme plus modestement « certains représentants de la colonie chinoise », ont manifesté leur mécontentement de l'attitude trop complaisante, selon eux, du Dr Sze. Ils ont envoyé à celui-ci cinq membres porteurs de cinq résolutions impératives, toutes dirigées contre la Société des Nations.

Le Dr Sze les a résumées en deux plus décidées et décisives encore (que le Dr Sze se retire des séances du Conseil ; que la Chine se retire de la Société des Nations) et y a joint l'offre de sa démission.

Cette première nouvelle a été suivie d'une seconde plus éclatante encore : non seulement le Dr Sze était démissionnaire à Paris, mais son ministre, M. Wellington Koo, l'était à Nankin.

Pendant ce temps, le comité de rédaction du Conseil avait continué sa tâche, et les Douze se réunirent, comme si de rien n'était.

Dans les alentours, il y eut grand émoi. A mesure qu'on s'approchait des Douze, l'émoi, cependant, diminuait comme par paliers.

A la fin de la journée, la délégation chinoise distribua à son hôtel des papillons annonçant que le gouvernement chinois ne pouvait pas prendre en considération l'idée de la démission du Dr Sze. Quant à celle de M. Wellington Koo, le président Tchang Kai Chek en espérait aussi le retrait.

Quelle sera la suite de ces brefs coups de semonce ? La Chine s'engagera-t-elle plus loin dans la voie de l'obstruction diplomatique ? Sont-ce des feintes ? L'engagement ira-t-il jusqu'au fer ?

Ce n'est pas la première fois que, dans des négociations d'arbitrage, l'impatience semble tout à coup gagner les parties en présence ; qu'elles se délient, qu'elles se rebellent.

Sur le moment, on peut croire que ç'en est fini, que la conciliation dépasse tous pouvoirs. Jamais, certes, ce ne fut aussi vraisemblable qu'à présent.

Le Conseil, aujourd'hui, aura d'abord à regarder ce qui reste des nouvelles d'hier. Peut-être qu'il n'en restera rien ou pas grand-chose.

Il aura, ensuite, à mesurer si les motifs de ces secousses, par lesquelles on menace d'ébranler sa force de persuasion pour y substituer la force, sont valables par rapport à tous ceux qu'en ces quatre semaines il a lui-mêmes créés et fait accepter, en vue de la paix.

Si la situation s'aggravait, eh bien ! qu'il ouvre son dossier, qu'il expose le bilan de sa tentative. L'opinion publique chinoise et l'opinion japonaise jugeront.

Quoi qu'il en advienne, il faut, d'ailleurs, constater — et peut-on le faire sans tristesse ? — que les méthodes délibérantes perdent la faveur publique.

Un meeting peut avoir raison du plus soigneux diplomate. Les démonstrations brutales séduisent, plaisent, enthousiasment.

Les Chinois, hier, étaient fort surexcités, dans le voisinage du Conseil penché sur ses minutieuses confrontations.

Il n'était pas peu piquant de les écouter, s'en prenant aux subtilités et aux arguties sédentaires du Conseil de la Société des Nations qu'ils qualifiaient de : *besogne de mandarin !* Je l'ai entendu. — HENRI HERTZ.

Enclosure No. 14 to Despatch No. 2063
of December 9, 1931.
From the Embassy at Paris.

Extract from LE PETIT PARISIEN, December 6, 1931.

LE CONSEIL DE LA S. D. N. EXAMINE LES AMENDEMENTS JAPONAIS

Des étudiants chinois forcent le Dr Sze à offrir à Nankin sa démission qui, comme celle de M. Wellington Koo, est refusée par Tchang Kai Chek

Après deux journées de calme relatif — journées passées à attendre les réponses chinoise et japonaise, le conseil de la S. D. N. a repris hier toute son activité. La matinée a été marquée, en effet, par une longue séance du comité de rédaction et l'après-midi par une séance privée et non moins prolongée des « Douze ».

Ces deux réunions ont eu pour objet l'examen des amendements réclamés par le gouvernement de Tokio aux projets de résolution et de déclaration présidentielle, amendements que M. Ito, le sous-directeur du service japonais de la S. D. N., a non seulement apportés hier matin à lord Robert Cecil, mais développés ensuite devant le comité de rédaction.

Modifications de texte

Les modifications demandées par le cabinet de Tokio, dont les instructions sont, paraît-il, particulièrement impératives, portent sur une dizaine de points. La plupart d'entre elles sont d'ordre rédactionnel et n'ont pas soulevé de grandes difficultés. L'une des plus importantes est celle que nous avons déjà signalée concernant les pouvoirs de la commission d'études, qui « devrait, si elle constatait, à son arrivée sur place, que les deux parties — ou l'une d'entre elles — n'ont pas tenu les engagements pris aux termes de la résolution, adresser des recommandations au conseil de la S. D. N. ». Tokio estime que cette phrase doit disparaître du paragraphe 5 de la résolution, la faculté reconnue aux commissaires, dans la déclaration présidentielle, d'adresser au conseil des rapports provisoires lui paraissant suffisante.

Après les explications fournies par M. Ito, à savoir qu'on avait vu, au Japon, dans cette addition, une tentative pour fixer d'une façon indirecte le terme du repli des forces japonaises, lord Robert Cecil a exposé qu'il y avait certainement là un malentendu de la part du gouvernement de Tokio, le conseil n'ayant pas voulu donner à sa phrase pareille signification. Aussi bien, le comité, pour montrer son esprit de conciliation, pria la délégation japonaise de soumettre une formule susceptible à la fois de lui donner satisfaction et d'être agréée en même temps par la Chine et par le conseil.

La répression des bandits

En ce qui concerne la déclaration présidentielle, c'est la question du droit réclamé par le Japon de réprimer les agissements des bandits qui constitue la grosse difficulté. Tout en admettant la situation particulière créée en Mandchourie par les bandes de brigands, le comité a fait valoir combien il était difficile de reconnaître cette situation en des termes généraux qui pourraient être susceptibles d'être invoqués plus tard dans d'autres parties du monde. Finalement, il a demandé au porte-parole japonais de soumettre sur ce point, comme sur le précédent, un projet de formule acceptable pour tous.

Ces formules, à l'élaboration desquelles la délégation japonaise a travaillé tout l'après-midi, n'ont pu être remises à lord Robert Cecil qu'à 18 heures, de sorte que ce sont seulement les amendements discutés le matin que les « Douze » ont examinés au cours de leur séance privée. Le conseil a naturellement approuvé l'attitude de son comité et lui a donné mission de se remettre en contact aujourd'hui même, à 15 h. 30, avec la délégation japonaise et chinoise en vue d'arriver à un accord.

La zone neutre

Le point essentiel, toutefois, demeure l'affaire de la zone neutre de King-tchéou. Les « Douze » n'y ont, hier, consacré qu'une très faible partie de leur temps. Ils ont néanmoins pris connaissance d'un projet japonais, projet qui a été élaboré par le baron Shidehara lui-même, le ministre des Affaires étrangères du Japon, et qui est toujours basé sur la nécessité du retrait des forces chinoises au delà de Changhai Kouan, c'est-à-dire au delà de la « Grande Muraille », comme contrepartie du repli des troupes japonaises

à l'est de la rivière Liao. Il ne semble pas, cependant, que ce projet ait été jugé admissible tel quel. Il convient, en tout cas, d'attendre la réponse de Tokio à la lettre adressée vendredi soir sur cette question à M. Yoshizawa, ainsi que les dernières dispositions de Nankin.

La démission du Dr Sze

Dans le courant de l'après-midi, une dépêche Reuter de Nankin a causé une vive sensation dans les milieux de la S. D. N. Ce télégramme annonçait, en effet, la double démission de M. Wellington Koo, le ministre des Affaires étrangères chinois, et du Dr Sze, qui représente actuellement la Chine au conseil.

Cette nouvelle était-elle exacte ? Et les « Douze », qui ont déjà tant de peine à démêler l'imbroglio sino-japonais, allaient-ils voir encore se compliquer leur tâche ? Pendant quelque temps, il fut à peu près impossible d'obtenir des éclaircissements. Finalement, un communiqué chinois — dont le texte fut d'ailleurs transmis au conseil réuni alors en séance privée — donna le mot de l'énigme. On se trouvait tout simplement en présence d'une manœuvre, d'une triple tentative de pression sur le Dr Sze, sur le gouvernement de Nankin et sur les « Douze ».

Voici les faits : Vendredi soir a eu lieu à Paris une sorte de meeting, où les éléments « Jeunes Chinois », composés en majeure partie d'étudiants, après quelques discours particulièrement violents, ont adopté une résolution blâmant l'attitude du délégué de Nankin au conseil et le mettant en demeure non seulement de s'abstenir d'assister aux séances, mais d'annoncer le retrait de la Chine de la S. D. N. Cette résolution fut portée, à minuit, dans l'hôtel où il est descendu, au Dr Sze, qui, pour mettre fin à une discussion que l'excitation de ses interlocuteurs rendait impossible à poursuivre, rédigea séance tenante un télégramme au gouvernement chinois.

Le télégramme à Nankin

Après avoir mis ce dernier au courant de la situation, de la protestation des étudiants et de la mise en demeure dont il était l'objet, bien qu'il n'eût fait qu'exécuter à la lettre ses instructions, il offrait sa démission au cas où Nankin jugerait qu'il a mal rempli son mandat. Il terminait par ces mots : « J'attends votre réponse. »

La dépêche Reuter aurait, effectivement, pu être cette réponse. Il n'en a rien été. Non seulement le Dr Sze n'a pas été informé de l'acceptation de sa démission, mais, un peu plus tard, un télégramme, officiel celui-là, lui annonçait, au contraire, que le chef du gouvernement de Nankin, Tchang Kai Chek, insistait auprès de lui pour qu'il conservât son poste et pour qu'il continuât à défendre les intérêts de son pays au conseil de la S. D. N. Ce dernier, d'ailleurs, n'avait pas attendu pour faire à la manifestation intempestive des étudiants nationalistes chinois et à leur communiqué l'accueil qu'ils méritaient... On verra plus loin, par le télégramme de notre correspondant de Changhai, que M. Wellington Koo a été victime de la même tentative d'intimidation que le Dr Sze. En présence de cette agitation et de l'intransigeance dont elle témoigne, voudront-ils, l'un et l'autre, poursuivre leur tâche ? C'est la question de demain...

Albert JULLIEN.

1374
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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

Enclosure No. 15 to Despatch No. 2063
of December 9, 1931.

From the Embassy at Paris,

Extract from EXCELSIOR, December 7, 1931.

LE RÈGLEMENT DU CONFLIT SINO-JAPONAIS NE SEMBLE PAS PROCHAIN

*Le conseil de la Société des
nations poursuit ses efforts
de conciliation.*

Le comité de rédaction du conseil de la Société des nations s'est à nouveau réuni hier après-midi, au Quai d'Orsay, sans d'ailleurs faire de grands progrès quant à la solution du conflit sino-japonais. Il se contenta, pendant plus d'une heure, de discuter avec le délégué japonais, M. Ito, les termes de la résolution se rapportant à la constitution de la commission d'enquête. Mais, comme ce dernier n'avait pas encore reçu les instructions définitives de son gouvernement, aucun accord n'intervint à ce sujet, pas plus d'ailleurs que sur tous les autres points qui restent en suspens. Il était donc inutile de convoquer à son tour le délégué chinois, le Dr Sze.

On croit savoir que ce dernier, ainsi que nous l'avons annoncé hier, acceptera la décision du gouvernement de Nankin et, tout comme son ministre des Affaires étrangères, le Dr Wellington Koo, retirera la démission qu'il avait câblée à Nankin à la suite de la violente protestation des délégués de la Kuamington à Paris. Il n'en reste pas moins que cette manifestation et toutes celles qui se produisent non seulement à Nankin, mais à Pékin et dans d'autres grandes villes de l'Empire céleste, ne peuvent que raffermir la volonté de la Chine et l'empêcher de faire de nouvelles concessions, ce qui est loin d'arranger les affaires.

Ce matin, à 11 heures, le comité de rédaction se réunira à nouveau. Il se peut qu'il convoque les délégués japonais si ceux-ci ont reçu des instructions définitives. Mais il est peu probable que les négociations approchent de leur fin. — MAURICE RAYMONDE.

FIG. 7

Enclosure No. 16 to Despatch No. 2063
of December 9, 1931.

From the Embassy at Paris.)

Extract from FIGARO, December 7, 1931.

DIPLOMATIE CELESTE

**M. Wellington Koo et le Dr Szé
ont retiré leur démission**

Nous ne sommes pas encore près de voir la fin du conflit sino-japonais en Mandchourie. Les causes en sont lointaines et les intérêts en présence sont considérables. Il serait donc vain de prétendre qu'on peut le régler en quelques semaines, voire en quelques mois. Japonais et Chinois sont loin d'être d'accord sur la « zone à démilitariser ». On peut comprendre, dans une certaine mesure, que les Chinois renâclent à évacuer tout le territoire compris au sud-ouest de King-Tcheou jusqu'à la Grande Muraille, comme le désirerait le Japon. Mais comment pourrait-on y voir clair dans cette confusion de troupes plus ou moins régulières et de bandes de brigands que constitue l'armée chinoise — armée dont on ne sait guère exactement qui est le chef — si elle n'évacue pas le terrain ? Est-elle vraiment d'ailleurs, cette armée dont les Japonais s'efforcent d'arrêter les déprédations, l'armée du gouvernement de Nankin qui continue à la Société des Nations son jeu triste et perfide, du gouvernement de Nankin dont l'influence ne s'étend pas à plus de quelques dizaines de kilomètres des rives du Yang-Tsé ?

On peut se demander en effet jusques à quand va se prolonger la comédie qui se déroule à Paris depuis trois semaines et si la démission de M. Wellington Koo et du docteur Szé n'a été simplement qu'une manœuvre.

On a appris hier qu'à la suite d'un appel pressant des membres du gouvernement, M. Wellington Koo, ministre chinois des affaires étrangères, et M. Alfred Szé, représentant de la Chine à la Société des Nations, avaient retiré leur démission et restaient en fonctions.

La farce continue.

Enclosure No. 17 to Despatch No. 2063
of December 9, 1931.
From the Embassy at Paris.

Extract from L'HUMANITE, December 7, 1931.

LA GUERRE DE MANDCHOURIE

Une importante victoire de l'Armée rouge des Soviets de Chine

Les masses laborieuses chinoises
se dressent contre le Kuomintang

Le Japon prépare de nouvelles
opérations militaires



WELLINGTON KOO
ministre des Affaires étrangères de
Chine, dont le gouvernement de
Nankin a refusé la démission

Au risque de nous répéter, il nous faut une fois de plus mettre nos camarades en garde contre l'attitude de la presse bourgeoise depuis trois jours. A lire l'*Ami du Peuple* ou le *Populaire*, il semblerait que la guerre qui fait rage en Mandchourie ne fut plus qu'un fait-divers sans grande importance. Dans tous les cas, on s'efforce de détourner l'attention des prolétaires des événements d'Extrême-Orient.

La guerre en Mandchourie ? Peu ! Parlez-nous donc des exploits de Monvaut ou de la disparition de la couturière de Pillouailles !

Or, il est bien certain que jamais la vigilance prolétarienne n'a été si urgente. La semaine qui s'ouvre sera sans doute celle de nouveaux grands combats sur les plaines mandchouriennes. Il y a quinze jours, les japonais se sont solidement installés à Tsitsikhar. De là ils ont étendu leur zone d'occupation en avançant à la fois vers le sud et vers le nord. Déjà ils ont organisé un appareil central administratif chargé d'assurer la domination japonaise. Une gendarmerie nipponne est en passe d'entrer en fonctions.

De toute évidence ces mesures n'ont pas d'autre but que de préparer un nouveau bond en avant. C'est-à-dire une nouvelle poussée dans la direction de la frontière soviétique. Jamais même à l'époque de l'agression mandchoue de 1929, les blancs ne s'étaient agités avec tant de frénésie. De leur aveu, le coup de main sur Kharbine et les massacres de citoyens soviétiques qui doivent l'accompagner, ne sont plus qu'une question d'heures.

Vers de nouvelles opérations militaires

On sait tout cela à Paris, puisque aussi bien le plan des blancs est l'œuvre commune des généraux russes contre-révolutionnaires et de l'état-major français. Mais la consigne est de faire le silence. Depuis une semaine, l'agence *Tass* a publié plusieurs communiqués de la plus haute importance qui établissent avec une irréfutable précision les provocations des blancs. Aucune de ces dépêches n'a été reproduite par la presse française.

Tout cela, hâtons-nous de le dire, est dans l'ordre. Dans l'ordre de la préparation guerrière. Mais nos camarades des Comités de Défense auraient grand tort de ne pas utiliser cet exemple frappant dans leur agitation et dans leur propagande.

La presse capitaliste se tait. Raison de plus pour nous de parler à haute et intelligible voix et de dire que jamais la menace d'agression contre la patrie des travailleurs n'a été si grave.

Aussi bien la Société des nations et son président M. Briand servent admirablement la manœuvre japonaise. Le Conseil siège exactement depuis vingt et un jours. Pendant qu'il siégeait, les Japonais ne se sont pas contentés d'étendre leurs conquêtes, ils ont imposé et fait admettre la plupart de leurs exigences. Le fameux programme d'expansion du baron Tanaka, dont Jacques Doriot a lu à la Chambre des extraits si suggestifs, est appliqué dans ses articles essentiels par le Conseil de la Société des nations et par son président.

Qu'on en juge. Le Conseil de la S. D. N. avait confié à son comité de rédaction le soin de préparer un projet de résolution. Ce projet entraînait d'emblée dans les vues japonaises. Il prévoyait cependant que la commission d'enquête envoyée en Mandchourie devrait faire rapport au Conseil sur le mouvement des troupes japonaises. Le Japon repoussa cette recommandation. La résolution, bien entendu, laissait au Japon le droit de réprimer ce qu'on appelle le banditisme, c'est-à-dire les révoltes populaires contre l'opresseur. Pour la forme, on lui demandait de prévenir les membres de la commission avant d'engager les expéditions punitives. Le Japon n'admet pas cette restriction : les membres du comité de rédaction sont d'ores et déjà résolus à accepter les exigences nouvelles de Tokio.

Les masses chinoises contre le Kuomintang

Mais voici qu'en fin de semaine survient un événement sensationnel. Samedi soir on apprenait simultanément à Paris la démission de M. Wellington Koo, ministre des affaires étrangères de Chine, et celle du Dr Sze, délégué chinois au Conseil. Le gouvernement de Nankin, il est vrai, a refusé la démission des deux personnages, qui continueront par conséquent à occuper leurs postes, encore que M. Sze ne se soit pas présenté hier à la réunion du comité de rédaction.

Mais on commettrait une lourde faute en réduisant l'événement aux proportions d'une manœuvre diplomatique subalterne. En fait, la démission des deux diplomates est le reflet du mouvement profond qui dresse à cette heure la masse du peuple chinois contre le gouvernement des traités du Kuomintang.

Celui-ci a partie liée avec les puissances impérialistes. Après avoir exterminé les révolutionnaires, après s'être livré en 1929 à la plus abominable agression contre les Soviétiques, il a ouvert sa frontière à l'envahisseur japonais. C'est lui qui a proposé aux impérialistes de les aider à dépecer la Chine. Ses généraux — nous en avons apporté la preuve — sont à la solde des grandes firmes japonaises. Tchang Kai Shek, il y a quelque temps, faisait mine d'aller combattre en Mandchourie. En fait, ses émissaires pacifisaient avec les représentants nippons.

Cette attitude a soulevé contre le Kuomintang la colère des travailleurs. Pour sauver son prestige, le Kuomintang votait dans son dernier Congrès l'exclusion de Tchang Kai Shek. Mais les masses ne sont pas dupes de ces mesures trompeuses. Malgré le gouvernement de Nankin, des paysans ont pris les armes contre l'occupant japonais.

La fausse démission de Sze et de Koo

Au risque d'être balayés, les leaders du Kuomintang doivent simuler l'intransigeance. La résolution votée vendredi soir par la colonie chinoise de Paris est à cet égard un chef-d'œuvre d'hypocrisie. Pour libérer la Chine, la colonie chinoise de Paris place son espoir dans l'appareil de la Société des Nations qui, depuis le 18 septembre, s'applique avec tant de diligence à seconder le Japon. La colonie chinoise chipote sur les pouvoirs de la Commission d'enquête, sur les délais d'évacuation. Comme si ces balivernes n'avaient pas pour objet précis de permettre à l'impérialisme nippon de réaliser ses desseins.

La résolution de la colonie chinoise de Paris et la fameuse démission de Sze sont les manœuvres suprêmes du Kuomintang en perdition, pour sauver son crédit devant les masses populaires.

Le programme de libération de la Chine, ce n'est pas celui du Kuomintang contrerévolutionnaire, c'est ce-

lui des soviets chinois que le Kuomintang s'efforce d'écraser. Ce programme, le récent congrès des districts soviétiques l'a énoncé avec une parfaite clarté :

« Suppression immédiate de tous les traités inégaux conclus par les gouvernements agrariens et bourgeois chinois avec les impérialistes ; annulation immédiate de toutes les dettes étrangères souscrites par les classes régnantes de Chine pour opprimer le mouvement révolutionnaire des masses et l'étouffer dans le sang ; évacuation sans condition de toutes les concessions, etc. étrangères occupées actuellement par les impérialistes, retrait immédiat de toutes les forces militaires, terrestres, aériennes et navales impérialistes du sol chinois, confiscation de toutes les banques, entreprises, mines et moyens de transport impérialistes en Chine comme la mesure la plus efficace pour briser la puissance des impérialistes de Chine ».

En dehors de la lutte de masses pour ces revendications, il n'y a que duperie, soumission à l'impérialisme.

Disons mieux, c'est pour diriger leurs coups contre les révolutionnaires que les gens du Kuomintang s'efforcent à cette heure de redorer leur blason.

Car la vague de la révolution monte dans l'empire des célestes. Les résolutions du congrès soviétique diffusées dans les villes et les campagnes ont soulevé l'enthousiasme des ouvriers et des paysans. Bien plus, l'armée rouge chinoise vient de remporter une nouvelle victoire éclatante. Les troupes rouges ont, il y a quelques jours, repris leur activité dans la vallée supérieure du Yang Tsé. Elle ont cerné la ville de Shasi. Dans la ville même, les désertions et les mutineries se multiplient dans l'armée de Nankin et les banques ont en toute hâte fait disparaître leurs ressources, qui ont été embarquées sur des navires de guerre britanniques.

Ne cherchons pas ailleurs que dans cette irrésistible poussée révolutionnaire la raison des acrobaties auxquelles se livrent les Sze, les Wellington Koo, etc.

C'est la puissance de l'Union Soviétique, ce sont les victoires de la Révolution chinoise qui dominent les délibérations suspectes de Paris. La guerre d'Extrême-Orient, inspirée, dirigée par la France, c'est la guerre de l'impérialisme contre la Révolution.

Nous sommes aux côtés de la Révolution. Mais il ne nous suffit pas de l'être en parole. Dans notre lutte contre la guerre, il faut rattraper le temps perdu, et il faut franchir une étape nouvelle, celle de l'organisation pratique à l'usine, dans l'entreprise, au cours des luttes revendicatives, de la riposte prolétarienne.

Gabriel PERI.

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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

Enclosure No. 18 to Despatch No. 2063
of December 9, 1931.
From the Embassy at Paris.

Extract from LE JOURNAL, December 7, 1931.

Au seuil de la quatrième semaine, le Conseil de la S.D.N. se trouve devant l'urgence d'en finir avec le conflit mandchou

Nous entrons dans la quatrième semaine de cette interminable session du conseil de la Société des nations consacrée au conflit sino-japonais. Sera-ce la dernière? Ce qui est indiscutable, c'est que le conseil n'a plus de temps à perdre s'il ne veut pas voir le conflit prendre une très mauvaise tournure.

Ce qui apparaît de plus en plus, en effet, c'est que les Chinois sont parfaitement décidés à ne pas retirer leurs troupes de la région de Tchén-Tchéou. Le gouvernement de Nankin est-il débordé par l'agitation de la jeunesse universitaire qu'il a laissé se développer au moment précis où un gouvernement soucieux de ses responsabilités aurait dû se ménager la sérénité des décisions sérieuses? Les Chinois, qui connaissent bien le tempérament japonais, cherchent-ils systématiquement à provoquer un incident qui leur permettrait de dénoncer une prétendue agression? Cette dernière interprétation n'est pas la moins vraisemblable.

Il est certain, en effet, que la patience des Japonais est mise à une rude épreuve. C'est le 25 novembre que les Chinois ont pris l'initiative de proposer la création d'une zone neutre, au moment même où le gouvernement japonais attirait l'attention du conseil sur la gravité de la situation dans la région de Tchén-Tchéou. Ce sont les Chinois qui ont proposé de retirer leurs troupes au delà de Chan-Hai-Huan et de la Grande Muraille, si les Japonais retirent leurs soldats derrière le Niao. Sans doute pensaient-ils que cette proposition ne serait jamais acceptée et que les Japonais se feraient prendre en mauvaise posture. La preuve de bonne foi que les Japonais ont donnée a dérouter les plans.

Mais le caractère japonais ne peut pas admettre un acte de mauvaise foi. Par conséquent, si le conseil de la Société des nations n'arrive pas à faire entendre raison aux Chinois, les Japonais tireront la conclusion logique. Ils constateront que la Société des nations est incapable de faire quoi que ce soit pour assurer le maintien de la paix en Chine, et notamment en Mandchourie.

Le commandement des troupes nipponnes devra évidemment, si les Chinois ne se retirent pas, procéder à une nouvelle avance dans la direction de Tchén-Tchéou, et l'impuissance de la Société des nations éclatera.

Faut-il s'étonner, dans ces conditions, que les débats du conseil n'aient fait aujourd'hui, pour ainsi dire, aucun progrès? Quand M. Ito s'est présenté hier après-midi devant le comité de rédaction, il n'avait pas reçu de Tokio la réponse attendue aux suggestions personnelles qu'il a présentées, sinon sur la suppression, du moins sur une nouvelle rédaction d'un passage, dans des conditions susceptibles d'une acceptation japonaise. De même, aucune réponse n'est encore venue de Tokio au sujet de la nouvelle rédaction du paragraphe qui doit figurer dans la déclaration présidentielle sur le droit réservé par le Japon de réprimer les attaques des bandits.

Aussi la presque totalité de la séance du comité de rédaction, qui n'a pas duré moins d'une heure et demie, a été consacrée à un exposé de M. Ito, dans lequel le conseiller juridique de la délégation japonaise a démontré avec beaucoup de force les arguments qui militent en faveur des dernières instructions du gouvernement nippon. Ces

explications ont mis le comité de rédaction dans un assez sérieux embarras.

Pour tâcher d'en sortir, des suggestions ont été présentées. M. Ito n'a pas dissimulé que ces suggestions ne lui paraissent pas susceptibles d'être acceptées par son gouvernement. Cependant, la délégation japonaise consent à leur apporter une sérieuse réflexion.

C'est sur cette promesse des Japonais de réfléchir que le comité s'est séparé. Il était, en effet, absolument inutile d'entamer une nouvelle discussion avec le Dr. Sze.

La seule possibilité pour le conseil d'aboutir est d'achever de se mettre d'accord avec les Japonais et de faire comprendre ensuite aux Chinois la nécessité d'accepter des arrangements élaborés au prix de tant d'efforts.
— S.-B.

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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

Enclosure No. 19 to Despatch No. 2063
of December 9, 1931.
From the Embassy at Paris.

Extract from EXCELSIOR, December 8, 1931.

LA SOLUTION DU CONFLIT SINO-JAPONAIS REGULE DE JOURNÉE EN JOURNÉE

Sur toutes les questions essentielles, Nankin et Tokio demeurent en opposition, aucun progrès n'est en vue.

DANS CES CONDITIONS, LE CONSEIL
DE LA SOCIÉTÉ DES NATIONS NE
POURSUIVRAIT PAS D'AVANTAGE
SES TRAVAUX ET SE SÉPARERAIT
CETTE SEMAINE SANS ACCORD

Les nouvelles instructions reçues par les délégués japonais et chinois n'ont pas permis aux membres du conseil de la Société des nations de trouver, comme ils l'espéraient, une formule de conciliation acceptable aux deux parties.

Plusieurs d'entre eux estiment même qu'il devient impossible de continuer les négociations, car chaque fois qu'un progrès est réalisé dans une direction, de nouvelles exigences sur d'autres points rendent tout accord impossible. C'est ainsi qu'hier le Dr Sze, délégué chinois, au cours de la conversation qu'il eut dans la matinée avec M. Briand, maintint la position de la Chine, qui demande au conseil de fixer une date d'évacuation, et s'oppose à la création d'une zone neutre, qui n'aurait pas un caractère purement provisoire. Puis, dans l'après-midi, M. Yoshizawa informa M. Briand qu'en réponse au questionnaire envoyé à son gouvernement concernant les limites de la zone neutralisée, il estimait que cette zone devait s'étendre de Tchén-Tchao à la Grande Muraille, derrière laquelle devraient se retirer les troupes chinoises. De plus, M. Yoshizawa informa le président du Conseil que son pays étant dans l'impossibilité d'accepter les termes de la déclaration présidentielle en ce qui concerne la zone neutre et la répression des actes de brigandage, il avait l'intention de lire à la séance plénière du conseil une autre déclaration exposant les vues de Tokio. Dans cette note, le délégué japonais donnerait non seulement son interprétation sur la résolution du conseil, mais encore sur les mesures à prendre pour la répression du brigandage, le maintien de l'ordre en Mandchourie, ainsi que sur le mouvement des armées hors du contrôle des observateurs neutres. Enfin, le gouvernement japonais définirait ce que devrait être le rôle de la Société des nations dans le conflit actuel.

Ces différentes demandes japonaises, exposées par M. Briand, à la réunion du comité des Douze qui se réunit à 17 heures, produisirent une certaine émotion et plusieurs membres du conseil demandèrent la convocation pour mercredi d'une séance plénière qui, dans leur esprit, terminerait la session actuelle du conseil. Toutefois, aucune décision définitive ne fut prise, si ce n'est de renvoyer les propositions japonaises au comité de rédaction présidé par lord Cecil, à qui on demanderait un nouveau rapport.

L'on escompte que le conseil terminera ses travaux cette semaine, mais il paraît de plus en plus douteux que ce soit par le vote à l'unanimité d'une résolution qui apaiserait le conflit, toujours aussi vif. — MAURICE RAYMONDE.

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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

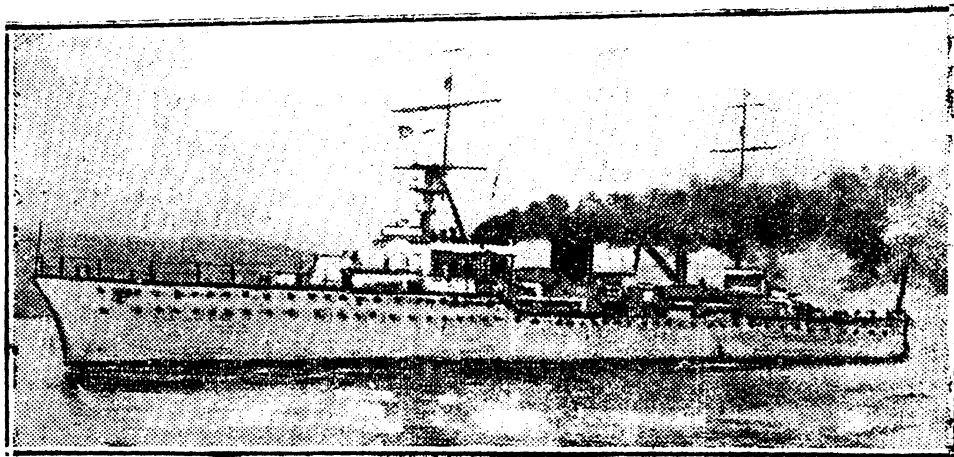
Enclosure No. 20 to Despatch No. 2063
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From the Embassy at Paris.

Extract from L'HUMANITE, December 8, 1931.

DÉFENDONS L'U. R. S. S. ET LES SOVIETS CHINOIS!

L'impérialisme français envoie en Chine le croiseur « Primauguet »

Les ouvriers de France exigent le retrait
des troupes d'occupation en Extrême-Orient



Le croiseur Primauguet que l'impérialisme français vient d'envoyer en Chine

Les représentants des impérialismes qui siègent depuis quatre semaines au Conseil de la S. D. N. ont donné hier gain de cause au Japon. Dans la résolution qui doit clôturer quand ? les marchandages odieux de Paris, sera incluse une réserve japonaise concernant le droit ? pour l'impérialisme nippon « de supprimer le banditisme (entendez le mouvement antiimpérialiste) en Mandchourie ». A Tokio, les autorités prévoient, elles l'extension de la zone des « opérations » dans l'enceinte de la grande muraille, c'est-à-dire en territoire chinois.

En ce qui concerne la « zone neutre » le Japon entend que soit créée une espèce de couloir au sud de King-Tchéou, les troupes japonaises devront être maîtresses de King-Tchéou — ce qui donnerait aux impérialistes de Tokio le contrôle absolu de cette région et du port de Hou-Lou-Tao dont nous avons déjà

dit qu'il était un but de leurs visées au Sud de la Mandchourie.

Nul doute que Briand et le Conseil, par la résolution, donneront blanc-seing au Japon pour cette extension de l'occupation japonaise. Mais, comme nous l'avons montré déjà, l'impérialisme yankee trouvera son mot à dire en cette occurrence...

Du côté chinois, la capitulation sera bientôt consommée. Le retrait de la démission de Koo et de Szé est accueilli dans les milieux impérialistes de l'Occident comme la preuve que le Kuomintang s'en remet aux puissances pour le « rétablissement de l'ordre » en Chine. Le Temps d'hier soir écrivait :

« Il est probable que la confusion croissante de la situation politique de la Chine a été un facteur puissant dans l'attitude de modération à laquelle recourt le gouvernement chinois. »

Faisant allusion à la croissance du mouvement révolutionnaire anti-impérialiste en Chine et la formidable agitation qui soulève les masses travailleuses contre les trahisons successives des bourreaux du Kuomintang, le même organe de l'impérialisme français s'exprime ainsi :

« Ce sont des conditions fâcheuses pour un gouvernement qui doit assumer de graves responsabilités et prendre des décisions capitales pour la sauvegarde de la paix en Extrême-Orient. »

Comme on voit la préparation de l'opinion pour l'envoi d'un corps expéditionnaire en Chine destiné « à rétablir l'ordre » est menée avec méthode, épaulée par les « suggestions » du gouvernement de Nankin au sujet de la nécessité pour les puissances de contribuer aux mesures de police contre les « bandits ».

Le «Primauguet» part en Chine

L'intervention des puissances est déjà en voie d'exécution et l'impérialisme français est à la tête de l'opération criminelle.

Nous avons relaté les provocations de Tien-Tsin, où la garnison française est mobilisée depuis près d'un mois.

Avant-hier, un télégramme de Shanghai nous informait que 3.000 soldats des troupes françaises d'occupation étaient massés à la frontière du Kiangsi, dans la Chine centrale, province où les Soviets chinois sont fortement ancrés et progressent journellement, englobant de plus en plus des millions de travailleurs.

Hier, le ministre de la Marine donnait l'ordre au croiseur *Primauguet*, du port de Toulon, d'appareiller pour l'Extrême-Orient. Le *Primauguet* va aller relever le croiseur *Waldeck-Rousseau*, qui est depuis deux années en Chine. Mais l'importance du choix de ce bâtiment mérite l'attention des travailleurs de France.

Le *Waldeck-Rousseau* est un bateau d'âge, lancé en 1908, tandis que le *Primauguet* est un navire de construction récente (1924). Ses caractéristiques principales sont la vitesse et l'armement : il porte des canons de 155 tirant à 26 kilomètres. On comprend le danger qu'il constitue pour la révolution chinoise, car si l'impérialisme français envoie ce bâtiment en Chine c'est uniquement dans le but de participer à l'expédition préparée pour la répression du mouvement révolutionnaire en Extrême-Orient. Le choix même de l'équipage en est une preuve : l'ordre est donné de désigner avant tout des volontaires, quartiers-maîtres et matelots, pour une campagne lointaine.

Rappelons, à ce sujet, la communication récente des soldats de Vannes nous informant de l'activité des officiers supérieurs de l'armée de terre cherchant des volontaires pour l'Extrême-Orient.

Les forces navales françaises en Chine

Rappelons encore qu'en Chine les forces navales se composent : du croiseur *Waldeck-Rousseau* (qui va être remplacé par le *Primauguet*, les avisos *Altair*, *Craonne*, *Marne*, *Algal*, *Tahure*, de la flottille du Yang-Tsé-Kiang comprenant quatre canonnières, de la flottille du Li-Kiang, comprenant deux canonnières, soit près de 1.700 hommes, sans compter les marins en dépôt.

Deux nouveaux avisos du type *Dumont d'Urville* seront bientôt expédiés pour renforcer la flottille de Chine et 12 unités du même ordre sont projetées. Ces bâtiments sont spécialement étudiés et aménagés pour des stations lointaines. Leur faible tirant d'eau leur permet de remonter très haut les fleuves.

Et le projet d'augmentation du budget de l'armée et de la marine de guerre prévoit la construction d'une canonnière fluviale, première d'une série, dotée d'une technique et d'armements modernes. « Des événements récents, dit l'exposé des motifs, en Chine et en Indochine, nous ont démontré la nécessité de ces canonnières. »

Exigeons le retrait des troupes

Ainsi donc, l'impérialisme français se prépare à renouveler l'expédition criminelle de 1926-27 contre la révolution chinoise.

Le rôle contre-révolutionnaire de la France dans le monde se manifeste dans chacun des actes du gouvernement. Dans l'invasion de la Mandchourie par le Japon, dans les préparatifs d'une intervention pour le partage de la Chine, l'impérialisme français joue le rôle dirigeant et il se prépare à tirer les premiers coups de canon contre les masses travailleuses de Chine en lutte pour leur libération du double joug du Kuomintang et de l'impérialisme.

Nous devons renforcer notre travail d'agitation et d'éclaircissement parmi les masses ouvrières pour que la lutte contre l'impérialisme se développe avec force. Il faut mobiliser tous les travailleurs pour la défense de la révolution chinoise.

Il faut imposer le retrait des forces d'occupation en Chine. Il faut s'opposer par tous les moyens à l'envoi d'un corps expéditionnaire qui serait destiné à écraser les soviets chinois et participer à l'agression contre l'Union soviétique.

M. MAGNIEN.

Enclosure No. 21 to Despatch No. 2063
of December 9, 1931.
From the Embassy at Paris.

Extract from LE JOURNAL, December 8, 1931.

LE CONFLIT SINO-JAPONAIS devant la S.D.N.

Journal ——— 12/8
On envisage l'abandon
de la zone neutre
et l'acceptation des textes
proposés par le Japon

Après avoir perdu tant de temps, la Société des nations va-t-elle prendre le mors aux dents ? On parlait hier, dans les couloirs, de tenir une séance publique du conseil, dans l'après-midi de demain mercredi. Une journée de travail intensif avait-elle à ce point débarrassé le terrain que l'on pût entrevoir le but ? Il est vrai qu'à la fin de la soirée, cette fameuse séance publique ne devait plus être simplement une finale, mais une étape pour l'enregistrement de la résolution et de la déclaration. Du coup, on rentrait dans la fantaisie pure. Il sera déjà assez difficile d'affronter la publicité d'une séance pour qu'on n'en envisage pas plus d'une, alors surtout qu'on en est de plus en plus réduit à tâcher d'escamoter les difficultés.

N'est-ce pas l'impression qui se dégage à la fin d'une journée qui a vu : une audition du Dr Sze par le comité de rédaction dans la fin de la matinée, une entrevue de M. Briand et de M. Yoshizawa dans l'après-midi, suivie d'une réunion des Douze, ensuite d'une délibération de M. Ito avec le comité de rédaction. Que se dégage-t-il de ces palabres ?

Dans la matinée, c'est lord Robert Cecil qui a tenu le premier rôle de la séance du comité de rédaction. Il a informé le Dr Sze que le conseil était prêt à accepter la plus grande partie des modifications demandées par le gouvernement de Tokio au texte de la résolution et de la déclaration. Le Dr Sze a répondu que son gouvernement lui avait donné pour instructions d'accepter le projet initial, qu'il ne pouvait donc prendre sous sa responsabilité d'accepter les modifications apportées. Il a ajouté, une fois de plus, que le gouvernement de Nankin subordonnait l'acceptation de la résolution et de la déclaration, même dans la forme initiale, à un accord sur la zone neutre de Tchén-Tchéou. Il en fait une question *sine qua non*. Lord Robert Cecil a répondu très franchement pour couper court à la manœuvre chinoise, que la question de la zone neutre n'a absolument rien à voir avec la résolution et la déclaration du conseil. C'est une question à part.

Dès ce moment, on a pu discerner clairement que le conseil cherchait à se dégager de l'affaire de la zone neutre, se rendant compte que c'est un guépier inextricable.

De fait, c'est sur cette question de la zone neutre qu'a porté l'entretien que M. Briand a eu, au début de l'après-midi, avec M. Yoshizawa.

Entretien très bref. Le délégué japonais s'est borné à remettre la réponse à la question qui avait été posée au gouvernement de Tokio, au sujet de la délimitation de la zone neutre. Des rumeurs sensationnelles ont couru dans les couloirs du conseil au sujet de la nouvelle délimitation proposée par le Japon. Il semble bien que l'ignorance de la géographie de cette région ait conduit à des confusions et que le Japon se soit borné à maintenir sa demande que les Chinois se retirent derrière la Grande-Muraille.

Ce qui est certain, c'est que les Douze se sont trouvés dans une grande perplexité. Ils se sont demandé si le plus simple n'était pas de renoncer à la zone neutre, de s'en remettre aux deux parties en leur recommandant de respecter les engagements de la résolution du 30 septembre.

M. Briand a été chargé d'adresser une note à M. Yoshizawa pour lui exposer les vues du conseil.

La réunion des Douze a été suivie d'une audition de M. Ito par le comité de rédaction. La délégation japonaise a, en effet, reçu la réponse du gouvernement de Tokio aux suggestions qu'elle avait présentées concernant la rédaction de la résolution et de la déclaration. On aurait décidé, dans ces conditions, de supprimer du paragraphe V le passage incriminé par le Japon visant le rapport que la commission d'études devrait faire à son arrivée.

La question ne serait traitée que dans une allusion de la déclaration présidentielle, dont les termes doivent être sérieusement étudiés.

En ce qui concerne la répression du brigandage, il avait été question, d'abord de mentionner dans la déclaration présidentielle la réserve par laquelle le Japon rappelle son droit de réprimer les agressions des bandits, ensuite de renvoyer la réserve à une déclaration que ferait devant le conseil, avec l'assentiment tacite de celui-ci, le représentant du Japon. S'est-on aperçu qu'il serait difficile de permettre au Japon de faire une déclaration sans permettre aussi à la Chine de présenter ses réserves, ce qui risquerait d'entraîner aux pires contradictions ? Toujours est-il que l'on est revenu hier à l'idée d'une réserve à insérer dans la déclaration présidentielle. Les

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Journal — 12/8

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La réunion des Douze a été suivie d'une audition de M. Ito par le comité de rédaction. La délégation japonaise a, en effet, reçu la réponse du gouvernement de Tokio aux suggestions qu'elle avait présentées concernant la rédaction de la résolution et de la déclaration. On aurait décidé, dans ces conditions, de supprimer du paragraphe V le passage incriminé par le Japon visant le rapport que la commission d'études devrait faire à son arrivée.

La question ne serait traitée que dans une allusion de la déclaration présidentielle, dont les termes doivent être sérieusement étudiés.

En ce qui concerne la répression du brigandage, il avait été question, d'abord de mentionner dans la déclaration présidentielle la réserve par laquelle le Japon rappelle son droit de réprimer les agressions des bandits, ensuite de renvoyer la réserve à une déclaration que ferait devant le conseil, avec l'assentiment tacite de celui-ci, le représentant du Japon. S'est-on aperçu qu'il serait difficile de permettre au Japon de faire une déclaration sans permettre aussi à la Chine de présenter ses réserves, ce qui risquerait d'entraîner aux pires contradictions ? Toujours est-il que l'on est revenu hier à l'idée d'une réserve à insérer dans la déclaration présidentielle. Les termes devraient être susceptibles de réunir l'adhésion unanime. — S.-B.

Enclosure No. 22 to Despatch No. 2063
of December 9, 1931.
From the Embassy at Paris.

Extract from LE PETIT PARISIEN, December 8, 1931.

Japonais et Chinois exposent les observations de leurs gouvernements

Un malentendu s'est-il produit concernant la délimitation de la zone neutre ?

Le comité de rédaction a entendu hier matin le Dr Sze.

Le vicomte Cecil, qui présidait cette réunion, a mis d'abord le docteur Sze au courant des négociations engagées jusqu'à présent avec le représentant du Japon. Il ne lui a pas caché que le comité de rédaction était disposé à accepter la plupart des amendements demandés par le porte-parole japonais, à propos desquels il lui a communiqué les modifications de texte envisagées.

Le Dr Sze a répondu que s'il était autorisé par son gouvernement à souscrire aux deux textes — de résolution et de déclaration présidentielle, — il lui était, en revanche, impossible d'accepter les modifications proposées sans en référer à nouveau à Nankin. D'autre part, il a demandé — question significative — si la résolution et la déclaration présidentielle formaient, avec le projet de création d'une zone neutre dans la région de Kingtchéou, un tout indivisible.

La réponse de lord Robert Cecil a été sur ce point particulièrement nette : « Le conseil, a-t-il dit en substance, considère qu'il y a là deux questions séparées. » Le désaccord sur la zone n'entraînerait donc pas la nullité d'une entente éventuelle sur les textes de la résolution et de la déclaration annexes. Les efforts déployés depuis trois semaines par le conseil ne risquent donc pas de se trouver complètement réduits à néant, même si on ne réussit pas à établir cette zone démilitarisée dont le gouvernement de Nankin, qui fut le premier à en suggérer la création, ne paraît plus vouloir désormais.

M. Yoshizawa a fait connaître à M. Briand, au cours d'un entretien qu'il a eu avec lui, à 15 h. 30, les vues de Tokio concernant la délimitation de cette zone.

A cet égard, il est permis de se demander si un malentendu ne s'est pas produit. D'après les renseignements que nous avons recueillis dans les milieux de la S. D. N., comme auprès de certains membres du conseil, le gouvernement japonais, par l'organe de M. Yoshizawa, aurait précisé que, selon lui, la zone neutre devrait s'étendre entre la « Grande Muraille » derrière laquelle devrait se retirer l'armée chinoise et la ville de Kingtchéou, cette dernière devant être occupée par les Japonais. En un mot, ces derniers qui ont fait récemment rebrousser chemin à leurs troupes dans la direction de Moukden et qui les ont maintenues, depuis, à l'est de la rivière Liao, demanderaient maintenant, non seulement à les faire avancer jusqu'à Kingtchéou, mais à occuper ce nœud ferroviaire important. C'est du moins ce qui a paru ressortir des explications fournies par l'ambassadeur du Japon et ce qui, à la séance privée tenue à 17 heures par les « douze », a été exposé au conseil. Il est à peine besoin d'ajouter que celui-ci n'a pas jugé cette proposition « recommandable » et qu'il a décidé l'envoi immédiat à la délégation japonaise d'une note l'en informant. On n'eût pas compris, en effet, qu'il n'eût pas repoussé séance tenante une combinaison qui fait table rase des résultats si laborieusement acquis au cours des deux dernières semaines.

Malentendu ?

Dans le courant de la soirée, toutefois, comme nous essayions d'obtenir confirmation de la prétention émise par le cabinet de Tokio dans les milieux japonais, on nous a assuré que le Japon ne demandait nullement l'occupation de Kingtchéou et qu'il y avait certainement là un très regrettable malentendu, occasionné sans doute par la difficulté avec laquelle M. Yoshizawa s'exprime dans notre langue. Ce que le Japon ne saurait admettre, m'a-t-on dit, c'est une zone neutre partant de Kingtchéou, — cette ville restant occupée par l'armée chinoise de Tchang Hsue Liang, — et s'étendant jusqu'à la rivière Liao. Le Japon veut bien demeurer sur ses positions actuelles, à l'est de cette rivière, mais il demande que l'armée chinoise se retire au delà de Chanhaihouan, c'est-à-dire au delà de la « Grande Muraille », ce qui est conforme à ce que le porte-parole japonais n'a cessé de déclarer la semaine passée. Est-ce bien là ce qu'a voulu expliquer M. Yoshizawa et ce qui a été mal compris, ou bien se trouve-t-on en présence d'un repli stratégique provoqué par le mauvais accueil fait à une exigence inacceptable ? Nous le saurons certainement aujourd'hui...

Au comité de rédaction

A 19 heures, la séance du conseil à peine terminée, le comité de rédaction s'est réuni à nouveau pour entendre, de la bouche de M. Ito, les dernières instructions reçues de Tokio concernant les deux points litigieux que nous avons déjà soulignés. Pour la phrase du paragraphe 5 de la résolution, qui a trait aux recommandations que la commission d'études pourrait adresser au conseil, si elle constatait, à son arrivée sur place, une violation par l'une ou l'autre des parties des engagements pris par elles. Il semble qu'on soit désormais d'accord pour la supprimer dans le texte de la résolution et pour la transférer dans la déclaration présidentielle. En revanche, on ne s'entend pas encore sur sa forme définitive.

Il en est de même en ce qui concerne la suppression des bandits au sujet de laquelle on continue à négocier.

Malgré ces divergences, on semblait arriver à un accord et on semblait envisager, hier soir, la possibilité de tenir, mercredi ou jeudi, une séance publique pour l'adoption finale de la résolution et de la déclaration présidentielle.

Albert JULLIEN.

TEMPS

Enclosure No. 23 to Despatch No. 2063
of December 9, 1931.
From the Embassy at Paris.

Extract from LE TEMPS, December 8, 1931.

La session du conseil de la Société des nations entre dans la quatrième semaine de ses travaux et on n'ose prévoir la fin de ceux-ci pour demain, comme on en avait nourri l'espoir. Les pourparlers se heurtent à de sérieuses difficultés qui s'expliquent par la situation de fait sur le terrain et par les résistances qui se précisent à Nankin où la situation politique est particulièrement trouble. Plus que jamais il apparaît qu'un différend entre Japonais et Chinois ne peut être examiné et réglé en s'inspirant des principes et des méthodes qui s'imposent tout naturellement lorsqu'il s'agit de puissances occidentales.

Ce qui achève de compliquer les choses, ce sont les procédés invraisemblables et inadmissibles par lesquels des éléments sans responsabilité essayent d'exercer une pression pour entraîner les dirigeants chinois à des résolutions extrêmes. L'incident qui avait déterminé le représentant de la Chine au conseil, M. Sze, à donner sa démission, et qui avait provoqué, par contre-coup, à Nankin même, la démission du nouveau ministre des affaires étrangères, M. Wellington Koo, est caractéristique d'un état de choses qui ne permet guère d'avoir confiance dans la décision finale du gouvernement chinois. Les démissions de M. Wellington Koo et de M. Sze ont été retirées, mais il n'en reste pas moins que le cabinet de Nankin est obligé de tenir compte des éléments

nationalistes les plus exaltés et que son existence est précaire, puisque le maintien ou la retraite forcée des ministres peuvent dépendre de quelques manifestations d'étudiants. Ce sont des conditions fâcheuses pour un gouvernement qui doit assumer de graves responsabilités et prendre des décisions capitales pour la sauvegarde de la paix en Extrême-Orient.

Réussira-t-on à établir définitivement le texte de la résolution du conseil de la Société des nations et de la déclaration du président qui doit l'accompagner et la compléter? Le comité de rédaction a conféré hier avec M. Ito, représentant du Japon, et ce matin avec le représentant de la Chine. Avec le premier, l'entente est à peu près faite, mais il semble bien que des divergences subsistent en ce qui concerne la Chine. En admettant que l'accord se fasse sur les termes de la résolution et de la déclaration, il restera encore à savoir quel accueil fera le gouvernement de Nankin, toujours sous la pression d'une opinion surexcitée, à ces deux documents qui ne lui donneront pas entière satisfaction.

D'autre part, la question de la création d'une zone neutre dans la région de Tchén-Tchéou est loin d'être résolue. On peut même craindre qu'elle ne doive être abandonnée, faute d'accord sur les conditions dans lesquelles devrait être organisé le régime de cette zone neutralisée. Les Chinois considèrent que s'ils ramènent leurs troupes jusqu'à la Grande-Muraille, on les contraint, en fait, à abandonner la Mandchourie. Les Japonais n'apportent aucun empressement à préciser les limites de la zone qui devrait être neutralisée. Dès lors, le problème est difficile à résoudre et on pourrait être amené à le réserver. Il ne resterait ainsi au conseil qu'à se prononcer définitivement sur la résolution et la déclaration présidentielle et à envoyer sur place la commission d'enquête dont la nomination a été décidée. Ce serait le seul moyen de sortir de l'impasse où l'on se trouve et de mettre fin à des négociations qui n'ont que trop duré. Les événements seuls décideront alors comment le problème pourra être repris dans des conditions plus favorables à un règlement définitif.

Echo 7

Enclosure No. 24 to Despatch No. 2063
of December 9, 1931.
From the Embassy at Paris.

Extract from L'ECHO DE PARIS, December 9, 1931.

La 23^e journée du Conseil de la S.D.N. EN PLEINE DÉBANDADE

Les membres du Conseil en ont assez. Il y a trois jours, lord Cecil se déclarait déjà à bout de patience et, hier soir, il annonçait que, de toutes façons, il quitterait Paris dans les vingt-quatre heures. M. Scialoja est décidé, lui aussi, à partir aujourd'hui. Dans ces conditions, les « Douze », c'est-à-dire les membres du Conseil, réunis hors de la présence des délégués japonais et chinois, ont décidé que le Conseil tiendrait, cet après-midi même, sa séance publique. Il est très peu probable qu'avant l'ouverture de cette séance, Tokio et Nankin aient signifié leur adhésion au projet de résolution et à la déclaration du président. Peu importe. On passera outre quitte, s'il le faut, pour recevoir cette adhésion, à organiser, jeudi, une deuxième séance publique. C'est la débändade.

En vérité, dès lundi, elle a commencé dans le programme avant de s'étendre aux personnes. Jusque-là, sir Eric Drummond, les fonctionnaires du secrétariat et M. Briand lui-même avaient estimé qu'il importait essentiellement de créer une zone « neutre » ou « interdite » autour de Tsin-Tchaon, afin d'empêcher la guérilla mandchourienne de descendre vers la Chine du Nord et de s'y développer. Lundi, désespérant d'aboutir, les « Douze » se résignèrent à ne plus parler de Tsin-Tchaon. Et, hier, survenait au milieu d'eux une dépêche Havas disant que les Japonais, résolus à dissiper la menace de Tehang Su Liang, s'étaient remis en marche vers la zone interdite.

Hier encore, nouvelle capitulation du conseil. Jusque-là, il avait prétendu définir, c'est-à-dire régler, notamment par l'intermédiaire d'« observateurs neutres », le droit de police que le Japon exerce et estime indispensable d'exercer, en Mandchourie, contre les soldats réguliers ou irréguliers, contre les bandits lancés à l'attaque du chemin de fer. Des textes avaient donc été établis que nous analysâmes au jour le jour. Ils ont été abandonnés, sur l'observation faite par un Etat de l'Amérique centrale que ses chemins de fer, construits par des capitaux américains, pourraient, grâce au précédent qui allait être créé, servir de prétexte à une intervention américaine. Dans sa déclaration préliminaire, le président se contentera de prendre acte de la déclaration faite par le Japon qu'en cas de péril des personnes et des biens et vu la situation spéciale de la Mandchourie, il entend appliquer des mesures de police. Le président prend acte. Le conseil n'approuve ni ne désapprouve. Il ferme les yeux.

Et l'évacuation, c'est-à-dire le retrait dans la zone du Sud mandchourien de ces troupes japonaises qui en sortirent, le 18 septembre, pour appliquer précisément les susdites mesures de police ? En octobre, le Conseil avait assigné, à l'évacuation, une date fixe, le 16 novembre. Aujourd'hui, plus de date fixe. Dans le paragraphe cinq du projet de résolution, le Conseil avait disposé que la commission envoyée en Extrême-Orient aurait le droit si, au moment de son arrivée, les soldats japonais étaient toujours en place, d'adresser au Conseil un rapport « sur la situation » et d'y joindre telles recommandations qu'elle jugerait opportune. Les « recommandations » disparaissent. Et le reste de la formule est refoulé, après mutilation, dans la déclaration présidentielle. Pas de fixation de date, même indirecte, même implicite.

Mais le trait le plus curieux est que cette déclaration présidentielle, négociée depuis plus d'une semaine, a toutes chances, maintenant, de ne pas lier les parties, car elle sera prononcée sans que leur approbation ait été reçue, et, en admettant que les parties se rallient au projet de résolution, elles ne se trouveront certainement pas d'accord pour adopter cette sorte de préface.

En pratique, à quoi aboutit le Conseil après tant de colloques et d'écrits ? A confirmer la résolution du 30 septembre qui laisse le Japon libre de défendre ses intérêts. Rien de plus si ce n'est une commission appelée à constater que le peuple chinois se débat dans l'anarchie et qu'étant inégal aux autres Etats, il ne saurait prétendre à des traités égaux. Tel est le résultat des sessions d'octobre et de novembre-décembre.

La Société des Nations eût été mieux inspirée de proclamer dès l'origine, que le conflit mandchourien était *ultra vires*. Durement frappée par les événements des derniers six mois, elle a voulu prouver sa force. Elle n'a étalé que sa faiblesse. « *We have failed* » avouait, l'autre jour, lord Cecil. Nous n'oublions pas cette démonstration quand viendra la conférence générale du désarmement.

PERTINAX.

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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

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Enclosure No. 25 to Despatch No. 2063
of December 9, 1931.
From the Embassy at Paris.

Extract from EXCELSIOR, December 9, 1931.

L'INTERVENTION DE LA S. D. N. DANS LE CONFLIT SINO-JAPONAIS

Un vent d'optimisme régnait hier matin dans les salons du Quai d'Orsay réservés à la Société des nations; le délégué chinois, le Dr Szé, s'était, en effet, au cours d'une longue conversation avec M. Briand, montré des plus conciliants. Il avait même accepté la plus grande partie des articles de la résolution du conseil. Cette résolution, d'ailleurs, ne devait plus ni préciser les droits et les devoirs de la commission d'enquête, ni même toutes les questions d'évacuation des troupes. De plus, la zone neutre était abandonnée et toutes les questions épineuses ne devaient figurer que dans la déclaration présidentielle qui ne revêtirait aucun caractère officiel. Les Japonais, de leur côté, ainsi que nous le disions hier, se contentaient de lire eux-mêmes, à la séance plénière, une déclaration précisant leur point de vue et donnant leur interprétation de la résolution. L'après-midi, il fallut déchanter lorsque l'on apprit que la pénétration japonaise s'accroissait et que les troupes nippones avaient traversé la rivière du Liao et occupé le petit port de Nien-Chang, près de Dairen.

Devant ces faits, le conseil décida de convoquer, pour cet après-midi, à 17 heures, une séance plénière au cours de laquelle la résolution définitive du conseil serait soumise aux deux parties. On espère encore qu'elles l'accepteront.

Ajoutons que le général Dawes est venu hier vers 19 heures au Quai d'Orsay, où il a eu une longue conversation avec M. Briand. On croit savoir que l'ambassadeur des Etats-Unis a déclaré nettement au président du conseil de la Société des nations que le gouvernement américain acceptait dans sa totalité les termes de la résolution qui sera présentée demain au délégué chinois et au délégué japonais. — MAURICE RAYMONDE.

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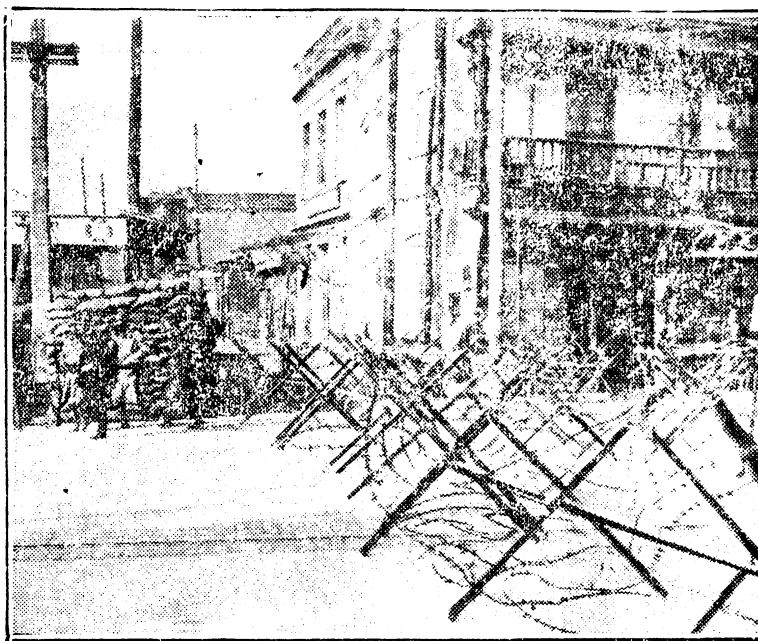
Enclosure No. 26 to Despatch No. 2063
 of December 9, 1931.
 From the Embassy at Paris.

Extract from L'HUMANITE, December 9, 1931.

Défendons l'U.R.S.S. et les Soviets chinois !

Aujourd'hui, le Conseil de la S.D.N. va consacrer l'annexion de la Mandchourie par le Japon

*Un rabcor belge dénonce la fourniture par les impérialistes
 d'armes aux gardes blancs de Mandchourie*



Tien-Tsin en état de siège

Après bien des marchandages, dans lesquels l'impérialisme américain a joué un très grand rôle, il semble que les impérialistes réunis à Paris soient arrivés au compromis recherché depuis quatre semaines. On prévoit pour aujourd'hui une séance publique du Conseil de la S. D. N.

Avant-hier, ainsi que nous l'avons indiqué, Tokio a posé ses conditions, à l'acceptation de la résolution et de la déclaration qui doivent clôturer cette session, en sanctionnant l'annexion de la Mandchourie par le Japon et préparant le dépeçement de la Chine.

L'impérialisme français, par l'organe de son représentant Briand, a réussi à arrondir les angles des antagonismes impérialistes en Chine pour que le Japon obtienne satisfaction.

A la réunion des « 12 » de lundi soir, le projet de résolution a été modifié en conséquence et la délégation japonaise en a accepté la rédaction. Au sujet de la « Commission d'études », qui doit se rendre en Chine, il a été décidé de supprimer la phrase dans la résolution concernant son rôle et de la faire passer dans la déclaration orale de Briand en la modifiant : « La Commission d'enquête élaborera périodiquement, au cours de son séjour en Chine, des rapports qui seront envoyés au Conseil. »

Comme on voit, il n'est plus fait allusion au retrait des troupes japonaises, mais la Commission enquêtera sur la situation en Chine. Nous avions raison de dénoncer, dès le début, la création de cette commission impérialiste comme un organisme destiné à étudier les modalités du dépeçement de la Chine.

En ce qui concerne la deuxième exigence du Japon, entendait avoir les mains libres contre « les bandits », c'est-à-dire avoir toute latitude pour occuper tous les points qu'il convoitera, Briand a encore fait que satisfaction soit donnée à Tokio. L'impérialisme nippon sera libre « de toute action destinée à protéger efficacement ses ressortissants dans la Chine du Nord. »

Quant à la « zone neutre », l'intransigeance de l'impérialisme yankee reste entière et s'oppose aux prétentions japonaises de la création de cette zone au sud de King-Tchéou, c'est-à-dire mettant la région de King-Tchéou sous le contrôle du Japon. Les « 12 » ont donc décidé de laisser en suspens cette épineuse question et Briand, pour laisser les mains libres au Japon, adressa une lettre à Tokio demandant que le gouvernement du Mikado accepte le *statu quo*, sous-entendant que les visées japonaises sur la Chine du Nord ne sont pas condamnées, puisque le droit est reconnu au Japon de poursuivre les groupements anti-impérialistes (les fameux « bandits ») dans cette zone.

Ainsi donc, l'impérialisme français a tout mis en œuvre pour que l'annexion de la Mandchourie par son allié soit reconnue par tous et pour que le front uni des impérialistes pour la lutte contre la révolution chinoise et pour l'agression antisoviétique ne soit pas effrité par le heurt des antagonismes en Extrême-Orient.

Il est intéressant, dans les conditions où s'affirme le rôle dirigeant de l'impérialisme français dans les opérations de brigandage impérialiste en Chine, de noter l'attitude hypocrite du journal de M. Blum.

Dans le *Populaire* d'hier, Grumbach-du-Deuxième-Bureau s'efforce à couvrir Briand et la S. D. N. Suivant l'habitude du journal falsifiant la réalité, Grumbach affirme que le Conseil, à l'inspiration de Briand, s'est « fâché » contre le Japon ! Et, cachant le rôle de l'impérialisme qu'il sert si bien, Grumbach fait passer toute la responsabilité des opérations futures — qu'il prévoit — sur le seul Japon, le Conseil de la S. D. N., sauvegardant les sacro-saints principes fondamentaux et idéologiques du pacte. On ne peut, avec plus de cynisme, tromper les ouvriers sur l'activité impérialiste et guerrière de l'institution de Genève.

La conquête de la Mandchourie est approuvée par la Société des Nations et le conquérant s'installe comme chez lui dans les territoires occupés. Tous les événements ont prouvé l'étendue de la protection française dont jouit l'impérialisme japonais. Et la France n'hésite pas à participer au jeu anti-américain quand l'Empire du Soleil Levant est prêt à toucher à la zone d'influence américaine dans la Chine du Nord.

Tous d'accord contre l'U.R.S.S. et les Soviets chinois

Mais les contradictions qui se sont manifestées dans le camp impérialiste au moment de l'avance des troupes japonaises sur King-Tchéou ne doivent tromper personne. Le front unique impérialiste sera toujours rétabli contre les soviets chinois et contre l'U. R. S. S.

Les impérialistes, dont la première série de provocations, s'est brisée devant la volonté de paix de l'Union soviétique, préparent derrière les coulisses une nouvelle provocation. Tout est prêt pour mettre à la disposition du Kuomintang des troupes d'expédition internationales afin de mettre un terme à l'anarchie dont les troupes de Tchang Kai Chek n'ont pu venir à bout.

Et le danger menaçant l'Etat ouvrier ne s'est pas amoindri d'un iota.

Des armes pour les gardes-blancs

Voici, par exemple, une lettre d'un rabcor belge dénonçant la fourniture d'armes aux gardes-blancs russes de Mandchourie. Ce camarade nous écrit de Liège :

Il existe depuis de longs mois un trafic intense d'armes de guerre de Belgique en Chine via Anvers et Hong-Kong.

Tous les achats de matériel sont faits par des Russes-blancs en France, en Allemagne, dans le Grand Duché de Luxembourg, en Hollande. Dans ce dernier pays on vient d'acheter 100.000 fusils de guerre. L'usine qui les fournit est un lieu de contrôle et d'achat et de mise au point des armes.

Des Blancs des plus notoires sont à la tête du trafic des armes : un ex-colonel, un prince déchu et ce dernier voyage très souvent entre Liège et Paris pour faire sa sale besogne.

Par l'intermédiaire d'une agence d'Anvers, la F. N., des millions de cartouches fournies par la fabrique *de*, sont dirigées sur Hong-Kong.

Voilà une preuve nouvelle, camarades, de la préparation à la guerre contre l'Union Soviétique, une preuve convaincante de l'armement des canailles de l'émigration blanche par les impérialistes. Ces révélations viennent s'ajouter aux découvertes de complots antisoviétiques à Kharbine et de l'envoi d'armes par le Japon aux bandes de Semenov.

Le rôle des gardes-blancs

Ajoutons encore des pièces à notre dossier de la défense de notre patrie socialiste. Nous avons cité déjà le *Bulletin Intérieur du Parti Ouvrier-Paysan Cosaque*. Nous trouvons dans cette feuille — éditée au su du gouvernement français, qui permet les parades d'anciens officiers de l'armée tsariste en armes sur la place de l'Etoile — le programme de cette bande qui opère en Chine.

Au paragraphe 52 il est dit :

... Vu le fait qu'en Russie communiste, où la propriété privée est abolie, le peuple est affamé, a un train de vie misérable, est opprimé et sans lendemain, le P.O.C., désirent voir heureux son peuple, reconnaître la propriété privée en tant que fondation de la construction de l'Etat.

Rétablir les exploiters capitalistes, les Koulaks et propriétaires fonciers, est le but de la préparation des soulèvements en Sibérie, comme le stipulent les articles 43 et 44 :

Organisations de soulèvements en U. R. S. S.

43. Au cas de soulèvements soit par un ordre du centre ou spontanés, les organisations du P.O.C. se trouvant sur les lieux prennent entre leurs mains la direction du soulèvement et le pouvoir tout entier.

44. Le président ou l'ataman sur place est le commandant de la garnison, et dirige la région insurgée.

Ainsi donc, tout est organisé dans les moindres détails pour le soutien, par des agissements criminels des gardes blancs, de la guerre impérialiste contre les ouvriers et paysans du pays construisant le socialisme. Ces plans, nous l'avons indiqué, ont été approuvés par tous les gouvernements capitalistes. le gouvernement français en premier lieu, auxquels ils ont été présentés.

La presse vendue mène campagne pour le blocus économique et la préparation à la guerre contre l'U.R.S.S.; la presse financière pousse à l'extension de la guerre en Mandchourie pour sortir de la crise : à la S.D.N., l'impérialisme français, qui dirige

tous ces préparatifs, couvert par le parti socialiste, déploie tous ses efforts pour cimenter le front uni des impérialistes en vue de l'agression antisoviétique ; les émigrés blancs, armés par les impérialistes de Paris et de Tokio, fomentent des complots et cherchent à organiser des soulèvements en U. R. S. S. Voilà le tableau de ce qui se trame contre le pays du socialisme.

Il n'y a pas une minute à perdre, dans notre lutte de masse contre l'impérialisme français et contre la guerre en préparation, pour défendre efficacement l'U. R. S. S.

M. MAGNIEN.

Enclosure No. 27 to Despatch No. 2063
of December 9, 1931.
From the Embassy at Paris.

Extract from LE JOURNAL, December 9, 1931.

LE CONSEIL
de la Société des Nations
espère en terminer
aujourd'hui
avec le conflit mandchou

La veille des vacances. La libération de la classe. Voilà l'état d'esprit qui a régné hier à la Société des Nations. On a vu se confirmer l'espoir d'en finir aujourd'hui avec la troisième session du conseil consacrée au conflit sino-japonais. Ce n'est pas encore absolument une certitude, car c'est seulement à la fin de la matinée d'aujourd'hui que l'on saura si la réunion publique projetée pourra définitivement se réunir dans la soirée.

Dès le début de la journée d'hier, un événement important s'est produit. La résistance chinoise est tombée tout d'un coup, comme il arrive toujours quand les Chinois se rendent compte que le moment est venu d'en finir. Le coup donné la veille par lord Robert Cecil avait porté. En se présentant devant le comité de rédaction, pour recevoir communication des derniers amendements apportés au projet de résolution du conseil et au projet de déclaration du président, pour donner satisfaction au Japon, le Dr Sze a communiqué l'acceptation de son gouvernement. Il a déclaré également que la Chine renonçait à faire dépendre l'acceptation de la résolution et de la déclaration d'un règlement de la question de la zone neutre de Tchintchéou.

Ainsi, le comité de rédaction a pu se réunir, à 16 h. 30, pour mettre au point les textes. Les Douze ont pu siéger ensuite pour les enregistrer.

Les documents se présentent ainsi. Le texte de la résolution a subi une modification, par la disparition d'un passage du paragraphe 5, relatif aux rapports que la commission d'études devra présenter au conseil. Ce passage a été renvoyé à la déclaration du président. C'est également dans la déclaration du président que figure une phrase reconnaissant le droit réservé au Japon de réprimer les actes de brigandage.

En somme, le projet de résolution ne soulève plus aucune difficulté. En ce qui concerne la déclaration, il reste à établir l'accord définitif sur la formule relative au brigandage. Le conseil a pleinement reconnu la légitimité de la revendication du Japon, en raison de la situation particulière de la Mandchourie. Il faut que la formule indique bien que cette reconnaissance ne constitue pas un précédent susceptible d'être généralisé.

Une rédaction a été proposée, dans la soirée, aux deux délégations. Elle représente ce que le comité de rédaction considère comme la formule définitive. Si l'acceptation du Japon et celle de la Chine sont arrivées en temps utile, la journée de demain sera la dernière. Dans le cas contraire, bien que la réunion publique soit donnée comme certaine, nous croyons savoir qu'on préférerait l'ajourner, pour ne pas publier des textes qui devraient subir encore de légères retouches.

N'oublions pas de signaler que le général Dawes est venu voir M. Briand après le conseil des Douze, pour recevoir communication des combinaisons envisagées. Cette visite, précédée d'une longue conversation téléphonique entre le général Dawes et M. Stimson, est encore une indication que l'on arrive à la fin.

Cette journée aurait donc été absolument sans nuage, puisqu'on laissait tomber la question de la zone neutre, si une certaine émotion n'avait été soulevée pendant la réunion des Douze, par un télégramme annonçant une opération militaire des Japonais à Niou-Chouang. Après examen de la situation, on s'est avisé que Niou-Chouang est un port à traité, où les Japonais ont une concession, donc des troupes de garde. Il ne peut donc s'agir que de l'envoi de renforts et de la saisie de l'administration du port.

Le conseil ne désignera que les cinq nations qui auront des représentants dans la commission d'études. Le choix des personnalités sera réservé au secrétariat. Pour la France, on songe maintenant à un amiral. Les cinq puissances ne sont pas encore complètement choisies. Il serait inexact d'admettre que le choix de l'Italie et de l'Allemagne ne rencontre plus de résistances. — S.-B.

Enclosure No. 28 to Despatch No. 2063
of December 9, 1931.
From the Embassy at Paris.

Extract from LE PETIT PARISIEN, December 9, 1931.

LE CONFLIT SINO-JAPONAIS

P.P.
Le conseil de la S. D. N.
tiendra cet après-midi
une séance publique

ON ESPERE QUE CE SERA LA DERNIERE

Le conseil de la S. D. N. arrivera-t-il enfin au bout de sa tâche ? On en avait, hier, nettement l'impression à l'issue des séances tenues successivement par le conseil et le comité de rédaction. Le matin, en effet, le Dr Sze, avec qui le vicomte Cecil et ses collègues avaient procédé, à la lumière des dernières instructions reçues de Nankin, à un nouvel examen des textes de la résolution et de la déclaration présidentielle, tels qu'ils ont été modifiés à la demande du Japon, avait fait preuve de dispositions si conciliantes qu'un accord prochain apparaissait enfin possible sur ces deux projets.

Aussi est-ce dans une atmosphère meilleure que le conseil s'est réuni à 17 heures. La veille, une certaine émotion avait été provoquée par la réponse de Tokio à la question qui lui avait été posée concernant la délimitation de la zone neutre de Kingtchéou. M. Yoshizawa ayant déclaré que cette zone devrait comprendre tout le territoire situé entre la « Grande Muraille » et un cours d'eau qui passe à l'ouest de Kingtchéou, certains en avaient conclu que le Japon prétendait faire avancer ses troupes — actuellement repliées derrière la rivière Liao — et occuper toute la région située entre cette rivière et Kingtchéou, cette ville comprise. Il n'en est rien. A cette région, actuellement vide de soldats, Tokio a simplement tenté, par sa proposition, de faire ajouter une nouvelle zone qui eût été neutralisée jusqu'à la « Grande Muraille » et que l'armée chinoise aurait dû évacuer. C'est d'ailleurs là, croyons-nous, le sens de la communication qu'en réponse à la note du conseil M. Sawada, chef du service japonais de la S. D. N., a fait parvenir à M. Briand.

L'attitude prise par Nankin sur cette question de zone neutre est telle qu'un accord à cet égard semble désormais impossible. Aussi bien est-il probable que le conseil, qui tiendra ce matin même une séance privée pour donner son approbation définitive aux textes élaborés et qui ont été, hier soir, communiqués aux deux délégations, n'insistera pas et qu'il se bornera, après l'adoption de la résolution et de la déclaration présidentielle, à rappeler solennellement aux deux parties, dont les armées sont actuellement séparées par une large bande de territoire, les engagements formels assumés par elles, le 30 septembre dernier, de ne prendre aucune initiative susceptible d'aggraver la situation.

La commission d'étude

Cette question de zone n'a d'ailleurs pas été abordée par les « Douze » à leur réunion privée d'hier soir. En revanche, ils se sont occupés de la composition de la commission d'étude, dont le nombre des membres a été, contrairement aux bruits mis en circulation, maintenu à cinq. Toutefois, pour calmer les susceptibilités, il a été entendu que ces membres — qui seront désignés ultérieurement et peut-être à Genève — ne seront pas choisis parce que représentant telle ou telle puissance, grande ou petite, mais en raison de leur personnalité propre.

Une entretien Dawes-Briand

En fin de journée, M. Briand a reçu au Quai d'Orsay le général Dawes, qui avait eu lui-même auparavant une longue conversation avec M. Matsudeira. L'observateur du gouvernement américain, qui a été tenu régulièrement au courant des travaux du conseil et du comité de rédaction, a exprimé au président son approbation complète des textes de résolution et de déclaration, textes dont il avait d'ailleurs conseillé l'adoption au délégué du Japon et sans doute aussi au Dr Sze. En raison de cet état de choses et de l'accord virtuellement réalisé — en dépit des ultimes instructions encore attendues de Tokio, — il a été décidé de tenir cet après-midi à 17 heures une séance publique du conseil. Sera-ce la dernière ? On nous croira sans peine si nous disons que c'est là le vœu général...

A. J.

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DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

NAVY DEPARTMENT
OFFICE OF NAVAL INTELLIGENCE
WASHINGTON

In reply refer to No.
DEPARTMENT OF STATE
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DEC 20 1931
DIVISION OF
NAVY AFFAIRS

DEC
EE (RFD)
Division of
FAR EASTERN AFFAIRS
DEC 18 1931
Department of State

17 December 1931.

Memorandum for Far Eastern Section
State Department,

The following was received from the Naval Attache, Peiping,
dated 16 December 1931.

793
RESIGNATION CHIANG CHIEH SHIH CONFIRMED. BEFORE RESIGNING
HE PLACED HIS STRONG FOLLOWERS AS CHAIRMAN KIANGSU, CHEKIANG,
KIANGSI AND KANSU. OPINION IS THAT HE HAS THUS INCREASED HIS
POLITICO-MILITARY POWER. YOUNG MARSHALL STARTED FOR NANKING
YESTERDAY FIFTEENTH. ABANDONED FLIGHT TSINAN AND RETURNED PEIPING.
PROBABLY AWAITING CHIANG CHIEH SHIH'S ARRIVAL IN NORTH.

VIOLENT STUDENT AGITATIONS NANKING YESTERDAY AGAINST
MINISTRY FOREIGN AFFAIRS AND KUOMINTANG HEADQUARTERS.

LIN SEN NAMED AS PRESIDENT AND GENERAL CHEN MING SHU
AS CHAIRMAN EXECUTIVE YUAN. HU JO YU RESIGNED MAYOR TSINGTAO
AND ADMIRAL SHEN HUNG LIH APPOINTED.

STRONG RUMOR EIGHTY NANKING PLANES BEING SENT TO PEIPING
AREA. LOCAL AGENT STANDARD OIL REPORTS CHINESE NEGOTIATING
WITH HIM FOR TEN THOUSAND GALLONS AVIATION GASOLINE.

IMPORTANT CHINESE AND FOREIGNERS MOST PESSIMISTIC AND
CONSIDER OUTLOOK FOR FUTURE VERY GLOOMY. NO CONCENTRATION
CHINESE CHINCHOW AREA. NO MOVEMENT JAPANESE TROOPS REPORTED LATELY.

F/LS

793.94/3204

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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

REP

TELEGRAM RECEIVED

COPIES SENT TO
O.N.I. AND M.I.D.

GRAY

FROM

Peiping via N. R.

Dated December 23, 1931

Rec'd 4:10 a. m.

Secretary of State,
Washington.

1120, December 23, 11 a. m.

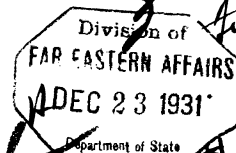
Karl Wiegand, Universal Service, called yesterday and confirmed statement made to him by General Honjo that the General had no present intention of attacking Chinchow, but was going to clean up bandits to the north of Chinchow. For complete interview see Weigand's Universal Service telegram December 19th.

For the Minister

PERKINS

RR

HFD



F/LS

793.94/3295

DEC 28 1931

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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

December 24, 1931.

~~S.H.H.~~
~~S.K.H.~~
~~S.H.H.~~
~~S.H.H.~~
~~S.H.H.~~
~~S.H.H.~~

With the attached despatch of November 28, 1931 from Mukden, there is enclosed two memoranda as follows:

(1) A tabulated statement showing how Japanese interests in Manchuria, exclusive of Chientao Region, were affected between September 18 and October 27, 1931, by the operations of Chinese bandits. This statement was compiled by the Department of Foreign Affairs at Tokyo.

The second memorandum, prepared by the Japanese Consulate General in Mukden is entitled "Facts Concerning the Infringement of Japanese Rights and Interests in Manchuria by the Government of the Three Eastern Provinces Prior to the Outbreak of the Present Manchurian Affair - September 18, 1931". The table of contents at the beginning of the memorandum lists fifty-four titles and gives a clue to the alleged violations of Japanese rights in Manchuria.

These two memoranda are of particular interest in any study that may be made of the question of the violation of Japanese rights in Manchuria.

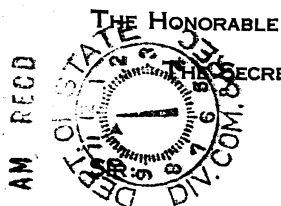
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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

No. -----

AMERICAN CONSULATE
GENERAL,
Mukden, China, November 28, 1931.

SUBJECT: Forwarding Memoranda Regarding Sino-Japanese
Relations in Manchuria.



THE HONORABLE
THE SECRETARY OF STATE,

WASHINGTON.



F/LS 793.94/3296

93.94
I have the honor to enclose herewith a copy of
my despatch No. 492, to the Legation, Peiping, China,
dated November 28, 1931, on the above subject.

Respectrully yours,

M. S. Myers
American Consul General.

FILED
FEB 6 1932

Enclosure:

Copy of despatch No. 492, to the
Legation, Peiping.

MSM:HTW
800

No. 492

AMERICAN CONSULATE GENERAL

Mukden, China.

November 28, 1931.

SUBJECT: Forwarding Memoranda Regarding Sino-Japanese Relations in Manchuria.

The Honorable

Nelson Trusler Johnson,

American Legation,

Peiping, China.

Sir:

1/ I have the honor to enclose herewith, as of possible interest to the Legation, memoranda received from the local Japanese Consulate General entitled "Facts Concerning Infringement of Japan's Rights and Interests in Manchuria by the Government of the Three Eastern Provinces Prior to the Outbreak of the Present Manchuria Affair - September 18, 1931," and "The Menace of Banditry in Manchuria (exclusive of Chientao Region)" for the period September 18, 1931 to October 27, 1931.


Respectfully yours,

M. S. Myers.
American Consul General.

1/ Enclosure: Memoranda received from the Japanese Consulate General.

Original and one copy to Legation.
Five copies to Department.

MSM: AAB
800.



THE MENACE OF BANDITRY IN MANCHURIA
(exclusive of Chientao Region)

For the period between Sept. 18
and Oct. 27, 1931.

Compiled as at Oct. 27, 1931 by
Department of Foreign Affairs,
Tokyo

No. Menacing Appearances of Japanese Bandits . .	577
Total No. Bandits in all appearances	84,284
No. Killed by Bandits	265
Japanese	3
Koreans	165
Chinese	96
Foreigner	1
No. Taken as Hostages	244
Japanese	3
Koreans	25
Chinese	216
No. Missing, Koreans	150
No. Homes Attacked and Burnt	29
Japanese	3
Koreans	26
No. Homes Looted	59
Japanese	3
Koreans	56
No. Japanese Farms Attacked	1
No. Towns and Villages Captured	2
No. Towns and Villages Attacked and Burnt . .	1
No. Passenger Trains Wrecked	1
No. Attacks on Chinese Police Force	15

743.94/3296

2

No. Chinese Homes Attacked and Burnt	104
No. Telegraph Wires Cut	6
No. Steamers and Boats Attacked	5
No. Japanese Subjects Evacuated Danger Areas	
Japanese	1,157
Koreans	2,015
No. Refugees in Safety Areas	
Japanese	802
Koreans	1,546
No. Cases, Railway Garrisons Called Out for Suppression of Bandits	41
----No. Soldiers killed in Action . . .	13
No. Cases, Japanese Police Forces Called Out for Suppression	22
----No. Police Killed in Action	3
No. Cases, Chinese Police Forces Called Out for Suppression	48
----No. Police Killed in Action	12
No. Cases, Chinese Troops and Police Forces Called Out	1

- - - - # - - - -

Note:

Population in Four North-Eastern Provinces	
Chinese(North-Eastern Year Book) .	30,857,000
Japanese(Japanese-Consulate- General, Mukden).....	228,700
Koreans(" ") incomplete . .	700,000
Other Nationality(" ")	102,000

- - - - -

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

FACTS CONCERNING INFRINGEMENT
OF JAPAN'S RIGHTS AND INTERESTS IN MANCHURIA
BY THE GOVERNMENT OF THE THREE EASTERN PROVINCES
PRIOR TO THE OUTBREAK OF
THE PRESENT MANCHURIAN AFFAIR — September 18, 1931

Prepared by
The Consulate-General of Japan,
Mukden.
October, 1931.

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1. CONSTRUCTION OF THE TAHUSHAN-TUNGGLIAO AND HSIAN RAILWAYS,
PARALLEL TO THE SOUTH MANCHURIA RAILWAY.

- a) In spite of the engagement by the Chinese Government not to construct any main line in the neighbourhood of and parallel to the South Manchuria Railway, or any branch line which might be prejudicial to the interest of that Railway, and in spite of the strong protests made by the same Railway, the Chinese authorities started the construction of the Tahushan-Tungliao Railway in August, 1926, and opened it for business on November 15, 1927.
- b) Disregarding the protests made by the Japanese Consul-General in Mukden, the Chinese started the construction of a branch line of the Mukden-Hailung Railway from Peishan-chengtze to Tungfeng extending for about forty miles which was completed toward the end of the same year.

2. DISREGARD OF THE AGREEMENT FOR THE EXTENSION OF THE PEKING-MUKDEN LINE.

In violation of Article 6 of the Agreement for Extension of the Peking-Mukden Railway into Mukden in which it is agreed that any of the trains of the Peking-Mukden Railway arriving at Mukden (such as through and express trains), and making connections with the South Manchuria Railway must first proceed to the South Manchuria Railway station, the Chinese

- 2 -

authorities, upon their own initiative, have changed the schedule of through passenger trains to arrive at Shengyang station before getting to the Mukden station of the South Manchuria Railway.

3. CONSTRUCTION OF THE KIRIN-HAILUNG RAILWAY.

The Chinese Government unilaterally violated the provisions in the preliminary Agreement for a loan for the construction of four railways in Manchuria and Mongolia, and completed the construction of the Kirin-Hailung Railway in May, 1929.

4. VIOLATION OF THE AGREEMENT REGARDING THE CONSTRUCTION OF THE CHANGCHUN-TALAI AND KIRIN-HUINING LINES.

The contract signed in May, 1928, by the Department of Communications of the Chinese Government for the construction of the Changchun-Talai and Kirin-Huining Railways by the South Manchuria Railway Company was unilaterally disapproved by the Chinese authorities, on the ground that the time was unfavorable, when the latter prepared to commence the work. As a consequence the construction of these lines has not since been started.

5. ILLEGAL RESTRICTION OF RIGHTS GIVEN TO THE JAPANESE ADVISOR OF THE TAONAN-ANGANGCHI RAILWAY.

Contrary to the communications attached to the Agreement

regarding the Taonan-Angangchi Railway Loan, the Chinese authorities failed to grant the prescribed rights to the Japanese advisor sent by the South Manchuria Railway.

6. ILLEGAL ACTION IN REGARD TO THE EMPLOYMENT OF JAPANESE CHIEF ACCOUNTANT FOR THE KIRIN-TUNHUA RAILWAY.

Contrary to a provision in the contract for the construction of the Kirin-Tunhua Railway, the Chinese authorities have engaged a Chinese Chief Accountant in place of Japanese.

7. THROUGH TRAFFIC BETWEEN THE TAHSHAN-TUNGLIAO AND SSUPINGKAI-TAONAN RAILWAYS AT TUNGLIAO.

The opening of through traffic at Tungliao between Tahushan-Tungliao Railway and Tungliao branch line of the Ssupingkai-Taonan Railway has a great bearing upon the interest of the South Manchuria Railway, and it would still be greater in the event an extension of the line should be made further northward from Tungliao. In view of these facts, a special attention of the South Manchuria Railway was called to a decision reached at the Joint Conference of the Chinese officials of the Tahushan-Tungliao and Ssupingkai-Taonan Railways held in Tientsin in December, 1930, for the establishment of through traffic connecting the two lines.

- 4 -

As a consequence, Japanese authorities repeatedly called attention of the Chinese to the serious nature of the matter and requested not to commence the work, and proposed to bring the matter up, together with other questions, for negotiation at the projected Railway Conference. Disregarding, however, these request and proposal, the connection of the two lines was completed without the consent of the Japanese authorities.

8. DISAPPROVAL OF THROUGH TRAFFIC AGREEMENT BETWEEN THE SOUTH MANCHURIA RAILWAY AND THE SSUPINGKAI-TAONAN RAILWAY.

An agreement concerning through traffic between the South Manchuria Railway and the Ssupingkai-Taonan Railway was concluded in September, 1928. In view of the fact that there exists an inseparable relation between the Chosen Government Railway and the Ssupingkai-Taonan Railway via the South Manchuria Railway, a request for a revision of the latter agreement was made to the Chinese Communications Committee. This, however, was refused and as a result this agreement has not been revised to this day.

9. COMPLAINTS UPON THE STATEMENT OF ACCOUNTS FOR THE CONSTRUCTION OF THE KIRIN-TUNHUA AND TAONAN-ANGANGCHI RAILWAYS.

The construction costs of ¥24,000,000 for the Kirin-Tunhua

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Railway (completed in October, 1928), and ¥12,920,000 for the Taonan-Angangchi Railway (completed in June, 1927) have not to this day been approved by the Chinese authorities due to their unfair complaints.

10. INTERFERENCE WITH TRAFFIC ON THE SOUTH MANCHURIA RAILWAY.

Due to the negligence on the part of the Chinese authorities, the South Manchuria Railway has sustained the following damages outside of the Kwantung Leased Territory during 1929 and 1930.

	1929	1930
Interference with traffic....	87	84
Goods stolen from moving trains.....	114	75
Railway equipment stolen.....	17	5
Electric wire stolen.....	13	15

The decrease in 1930 is due to the greater vigilance taken by the Japanese independent of Chinese cooperation.

11. UNREASONABLE TAXATION ON MATERIAL USED BY THE SOUTH MANCHURIA RAILWAY.

In violation of Article 8 of the Additional Agreement attached to the Treaty relating to Manchuria of December 1905, whereby the Chinese Government engages that all materials required for the railways in South Manchuria shall

- 6 -

be exempt from all duties, taxes and likin, the Chinese authorities have been levying since February 1, 1927, 50% of the lumber tax from Chinese sellers of the railway sleepers produced in Kirin, and used by the South Manchuria Railway.

12. UNLAWFUL RESTRICTION ON THE AMOUNT OF MATERIALS PURCHASED BY THE SOUTH MANCHURIA RAILWAY.

In 1928, when orders for railway sleepers by the South Manchuria Railway Company exceeded one million pieces, Chinese officials, stating that the amount was in excess, refused to issue permits for exemption from taxes for the required amount of sleepers. The Company then was obliged to spend one year for the negotiation before obtaining necessary permits.

13. INTERFERENCE WITH EXTRACTION OF STONE FOR THE USE OF THE SOUTH MANCHURIA RAILWAY.

In Article 6 of the Contract for the Construction and Operation of the Chinese Eastern Railway, September, 1896, (the rights in this Contract have been transferred to the Japanese Government by the consent of Russia and China), it is agreed that the lands in the vicinity of the South Manchuria Railway lines necessary for obtaining sand, stone, lime, etc., is to be turned over to the South Manchuria

- 7 -

Railway Company. In spite of this agreement, the Chinese authorities have recently been interfering with the Japanese rights by every possible means. The places where interruptions have occurred are as follows:

- | | |
|-------------------|------------------------|
| a. Te-li-ssu | f. Mai-tze-shan |
| b. Hsu-chia-tuen | g. Ku-chia-tze |
| c. Tang-wang-shan | h. Chin-yang-pu |
| d. Chi-chia-pu | i. Sha-ho-man-tou-shan |
| e. Nan-shan | j. Chu-tze-shan |

14. INTERFERENCE WITH THE MANAGEMENT OF MINES IN THE RAILWAY ZONE.

According to the Agreement Concerning Mines and Railways in Manchiria, September, 1909, and the general principles concerning mines agreed upon by the Viceroy of the Three Eastern Provinces with the Japanese Consul-General in Mukden, all mines along the Antung-Mukden Railway, excepting those at Fushun and Yentai, are to be exploited as joint enterprises of the Japanese and Chinese. In spite of these agreements, Chinese officials have been interfering with the joint enterprises at Ching-cheng-tze, Nyu-hsin-tai, Tien-shih-fu, and other ^{places.} _A They constantly have been accusing the Japanese of violating the Mines Act. As a matter of fact, however, this Mines Act itself is not only in contravention of Article 9 of the Treaty respecting Commercial

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Relations, concluded between Great Britain and China in September 1902, but also against the principle of extra-territoriality. The interference with the management of mines by application of domestic law is a gross infringement of treaty rights.

15. DISAPPROVAL OF THE RIGHT ON THE LANDS PURCHASED IN FUSHUN
MINE DISTRICT:

According to the right stipulated in the Regulation regarding the purchase of land in Fushun Coal Mine District, the South Manchuria Railway Company has lawfully purchased private lands for mining purposes through the Governor of Fushun. Since 1924, however, due to the rise of the movement for prevention of effluence of rights and concessions, the Chinese authorities have been disapproving the sale of private lands, and lately their interference with the sale of lands to the Company has become very obvious.

16. INTERFERENCE WITH THE PURCHASE OF LANDS BY THE SOUTH MANCHURIA
RAILWAY.

In spite of the provision of Article 6 of the Contract for the Construction and Operation of the Chinese Eastern Railway mentioned above, the lands actually necessary for the construction, operation, and protection of the South Manchuria Railway line can be turned over to the Company by

- 9 -

lease, the Chinese Government, since 1915, has been interfering by all possible means with the purchase of lands by the South Manchuria Railway Company. As a result 59 cases are pending for settlement at the present time.

17. INTERFERENCE WITH THE CONSTRUCTION OF THE KUNGCHANGLING IRON MINE RAILWAY.

In spite of the fact, that the right of constructing a railway in Kungchangling Iron Mine is approved in the Contract for the joint management of the said Mine by the Mukden Government and N. Iida, a Japanese subject, the Chinese Communications Committee is attempting to deny the right of construction. The application for construction was submitted, but the final permit is not forthcoming on the pretext that the Chinese authorities require a further deliberation on the matter.

18. DISAPPROVAL OF THE RIGHT OF PURCHASING CLAY IN FUCHOU.

In May 1930, the Fuchou Mining Company, a subsidiary company of the South Manchuria Railway Company, entered into a contract with the Chinese Fuchou Mining Company to purchase clay deposited along Fuchou Bay, with the permission of the Department of Agriculture and Mining of the Mukden Government. In June 1931, however, the Government placed an undue pressure on Chou Wen-fu, a Chinese through whose effort

- 10 -

the right was secured for the Japanese company, and without consultation cancelled the permit.

19. CONFISCATION OF DOCUMENTS OF TITLE TO MINING DISTRICTS.

In August 1930, Chinese officials demanded of the Chenhsing Company the surrender of the documents of title to mining districts of magnesite and felspar. The documents have never been returned to the owner. Moreover, when the payment of taxes on the mines was demanded, the Company paid them. The officials then notified that since the Company's right to the magnesite mines had been nullified, there was no necessity of paying the taxes on them, and stated that the amount paid in was transferred to iron taxes.

20. UNDUE PRESSURE UPON THE JOINT COAL MINE AT HSI-AN.

The Hsi-an Coal Mine, a Japanese and Chinese joint corporation, has been unduly oppressed by Chinese officials. The sale of coal to the Chinese inhabitants of that region is prohibited under threat by the Chinese police.

21. CANCELLATION OF THE RIGHTS GIVEN TO A LEAD MINING COMPANY IN FENG-CHENG-HSIEN.

In August 1929, the Chinese authorities notified the Ching-cheng-tze Lead Mines at Feng-cheng-hsien, a Sino-Japanese joint corporation of the cancellation of its

- 10 -

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mining rights to which the Japanese representative filed a strong protest, and the Company continued its operation. Thereupon, Chinese officials demanded the expulsion of the Japanese from the mine, detained Chinese workers, and confiscated all horses and carts. Since then the Company has been unable to operate.

22. RECOVERY BY FORCE OF TASHIHCHIAO TALC MINE.

In-tze-ku Talc Mine at Tashihchiao has been operated for over ten year by a Japanese, Kenjiro Ito, under a Chinese name. On July 12, 1929, the Chinese authorities stopped the coolies from work, and by force confiscated the mine.

23. RECOVERY BY FORCE OF PENCHIHU LIME MINE.

The Penchihi Lime Mine has been operated by the Japanese for more than ten years under a legal contract with the Chinese. In August, 1929, Chinese officials punished the Chinese as having sold the public land secretly to the Japanese, confiscated the property, and attempted to recover the mine by force of arms.

24. UNDUE PRESSURE UPON THE PENCHIHU COAL AND IRON MINING COMPANY.

At the expiration of the lease on the land used for the water supply for the Penchihi Coal and Iron Mining Company on November 1st, 1927, the South Manchuria Railway Company has

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repeatedly requested for its renewal, but the Chinese authorities demanding its recovery have prolonged its settlement.

25. PROHIBITION AGAINST TRANSPORTATION AND SALE OF FUSHUN COAL.

Since 1929, the Chinese authorities have placed restriction on the amount of Fushun coal to be transported by the Mukden-Hailung Railway. In 1930, Liu-ho-ling, Chief of the Department of Agriculture and Mining, requested the Political Council to issue an order to all institutions including Chambers of Commerce, factories and others, to use the Chinese produced coal and prohibit the purchase of the Fushun coal. The petition was accepted and an ordinance was issued by the Council to that effect.

26. DISCRIMINATORY FREIGHT RATES AGAINST FOREIGN GOODS.

In Article 15 of the Wang-hea Treaty, 1844, no foreigners engaged in business shall be subjected to any monopolistic and other injurious restrictions. Regardless of this, since this year the Government of the Four Eastern Provinces has created monopoly of matches and has been interfering with the manufacture and importation of matches by the Japanese. In spite of Article 5 of the Treaty between Nine Powers concerning China, in which China agrees that, throughout the whole of the railways in China, she will not

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exercise or permit unfair discrimination of any kind, the Chinese authorities **have** been allowing lower freight rates on Chinese products. Against repeated protests made by Japan as well as other nations, they, by giving lower rates to home products, discriminate against **foreign** products by false interpretation of the treaty provision.

27. UNFAIR TAXATION.

Since the City of Mukden is open for foreign trade by treaty, which is fully recognized by all nations, when duty is paid on foreign goods once at the port of entry, no extra duty should be imposed on the same goods entering Mukden walled city. The Chinese authorities, however, claiming that the City should be recognized as the inter-land, impose 4% duty on goods brought into Mukden, and in cases the Chinese consignees refuse to pay, they are subjected to heavy oppression and all possible interferences.

28. CHARGING DOUBLE DUTIES AT DAIREN.

On foreign goods once imported through a Chinese open port and transhipped to another Chinese port, the drawback system has been applied to avoid imposition of double duties on the same goods. In May, 1931, however, the Chinese authorities abolished this system. In its place, to effect the same result, they have been issuing duty-exemption

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certificates for the goods transhipped from one Chinese port to another, except the port of Dairen. In the light of this apparent discrimination, the Japanese authorities have repeatedly demanded for the issuance of the same certificates for goods shipped through Dairen, but to date no consent has been given by China.

29. UNFAIR INCREASE OF EXPORT DUTY ON FUSHUN COAL.

In the Detailed Regulations for Fushun and Yentai Coal Mines, May 12, 1911, it is agreed that the South Manchuria Railway Company shall pay one silver mace on each ton of the coal exported, and that this agreement shall be effective for sixty years from 1911. The Chinese authorities, however, have unilaterally abandoned the agreement since June 1, 1931, and have been levying a new export duty. Japan, pointing to this action as a violation of treaty right, opened a negotiation with China, but as yet no final settlement is reached.

30. UNREASONABLE TAXATION WITHIN THE SOUTH MANCHURIA RAILWAY ZONE.

Since Japan, by virtue of treaty, has the absolute and exclusive administrative rights in the South Manchuria Railway Zone, the Chinese authorities have no right to levy taxes within the Railway Zone. In spite of this fact, the Chinese authorities have attempted to impose business taxes upon

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the Chinese residing within this specified Zone. When met by strong protests from the Japanese authorities, they have adopted other methods of not only charging 2% business tax but 3% production tax on goods carried outside of the Zone. In cases Chinese consignees evade the payment of the taxes, fines are imposed on them by force aided by the guards stationed on the boundary of the Railway Zone. It is not infrequent that the merchandise of Japanese traders are subjected to the same treatment.

31. UNDUE PRESSURE UPON THE NORTH MANCHURIA ELECTRIC COMPANY,
HARBIN.

The North Manchuria Electric Company in Harbin was organized in 1918, and had been in operation even before the Harbin City Council decided to make the electric service a franchised enterprise in 1920. In that year, while the Council was discussing the matter of granting the right of operating street cars and electric light to the North Manchuria Electric Company, the Chinese Government hastily projected a semi-governmental enterprise called the Harbin Electric Company, and forced the City Council to grant a special franchise to this Company. Since May, 1930, this has been made a purely government enterprise, and the authorities have been placing all possible obstacles against the development of the North Manchuria Electric Company,

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condemning that the operation of the Company infringes upon the rights of the governmental enterprises.

32. ANTI-JAPANESE DECISION ADOPTED IN PUBLIC BIDDING FOR THE CONSTRUCTION OF LOCOMOTIVES.

In August, 1929, the Mukden-Hailung Railway invited bids for the construction of ten new locomotives. In spite of the fact that the South Manchuria Railway Company was the lowest bidder, followed by Mitsubishi Co., the Railway authorities, through anti-Japanese motives, made purchases from the Skoda Works.

33. INTERFERENCE WITH FORESTRY INDUSTRY IN KIRIN.

In 1930 the Government of Kirin Province, without warning, prohibited the felling of trees in the virgin forests along the Kirin-Tunhua Railway in which Japanese interests are involved. This caused great damages to the railway operation and to the lumber industry.

34. OPPRESSION OF CHAMIEN COMPANY.

The Chamien Company which owns forestry districts in the Hingan mountains, Heilungchiang Province, enjoys a financial aid to the extent of ¥2,000,000 by the South Manchuria Railway Company. The Chinese authorities attempted to disapprove this fact, and demanded a further investment

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of the South Manchuria Railway Company. Moreover, they not only have failed on their part to carry out the provision of the Agreement of 1925 between the Heilungchiang Government and the South Manchuria Railway Company relating to the forestry districts, but have been obstructing by force the fulfillment of the agreement by the South Manchuria Railway.

35. VIOLATION OF THE AGREEMENT REGARDING THE LOAN FOR MINES AND FORESTRY IN KIRIN AND HEILUNGCHIANG PROVINCES.

On August 2, 1918, a contract for a ¥30,000,000 loan was duly concluded between the Department of Finance of the Peking Government and the Exchange Bank of China, a Sino-Japanese concern, by mortgaging gold mines and state-owned forestry and their revenues in the two Provinces. The Chinese Government has not only refused to execute the agreement but even showed an attitude of disapproving the contract. This state of affair has continued to this date.

36. DISAPPROVAL OF THE ADVANCE PAYMENT OF ¥10,000,000 FOR THE CONSTRUCTION OF THE KIRIN-HUINING RAILWAY.

In accordance with the agreement of April 15, 1907, relating to Hsinmin-Mukden and Kirin-Changchun Railways, and the agreement of September, 4, 1909, relating to the Chientao

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Region, three Japanese banks entered into a contract with the Department of Communications of the Chinese Government relating to a loan for the construction of the Kirin-Huining Railway and an advance payment of ¥10,000,000 was duly made. The Chinese authorities not only have changed their attitude, but have been attempting to evade the issue of constructing the said Railway and even to disapprove the loan itself.

37. REFUSAL OF PAYMENT FOR RAILS PURCHASED BY THE KIRIN-TUNGHUA RAILWAY.

The South Manchuria Railway Company, having duly entered into a contract with the Kirin-Tunghua Railway, purchased rails with an advance of ¥900,000 to the latter in April, 1928. No definite agreement, however, has yet been reached for the payment of ¥900,000 by the latter to the South Manchuria Railway.

38. REFUSAL OF PAYMENT FOR COAL PURCHASED BY THE PEKING-MUKDEN RAILWAY.

The amount of ¥634,000 for the payment of Fushun coal is still due from the Peking-Mukden Railway to the South Manchuria Railway. Though the former is credited with a fairly good financial standing, it is making only a small

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monthly payment of \$20,000.

39. CONSTRUCTION OF A RAILWAY BY FORCE THROUGH SAKAKIHARA FARM.

In 1924, the Chinese authorities without obtaining consent from Sakakihara, the leaseholder of the farm land, laid a railway from Sinmin to the aerodrome, east of the Walled City of Mukden, through the Sakakihara Farm near Mukden North Mausoleum. The Farm had been lawfully leased with the approval of the Chinese authorities, by Sakakihara, a Japanese subject, in the name of his brother, Masasaburo Uramoto, in 1919. The Japanese Consul-General in Mukden, thereupon, filed a strong protest with the Mukden Government and demanded reparations for the use of the land. The Chinese authorities, however, insisted upon the invalidity of the lease and showed no sincerity for the settlement of the case. On June 27, 1929, under such unavoidable circumstances, Sakakihara removed the railway-tracks from the Farm.

40. OPPOSITION OF JAPANESE RESIDENTS IN MUKDEN CITY.

The City of Mukden has been opened as a place of international residence and trade according to the Treaty for the Extension of the Commercial Relations between the United States and China. The Chinese authorities, however, established a special district called the "Commercial Settlement" outside the walled city for all foreign residents, disregarding the

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protests by Japan as well as by other foreign countries. Under pressure brought upon Chinese house-owners, Japanese residents have been forced to leave the walled city and at present there are only 44 Japanese families remaining.

41. OPPRESSION OF JAPANESE RESIDENTS IN SANSHING.

Japanese residents in the city of Sanshing, in Kirin Province, have been subjected to the same treatment as in Mukden, although the city had been open for international residence and trade by the Additional Agreement to the Treaty relating to Manchuria in 1905. There are only five or six Japanese families remaining in this city.

42. INTERFERENCE WITH THE JAPANESE TELEPHONE OFFICE IN MUKDEN.

According to the Sino-Japanese Telegraph Convention of 1908, Japan has the right to retain the telephone wires and to operate the services between the Railway Zone and the City of Mukden. In 1929, for the purpose of executing a city-planning, Chinese officials demanded that the Japanese Telephone Office should remove all telephone poles in the City. After the Japanese Telephone Office had placed all wires under ground in 1930, the Mukden Electric Bureau interfering with some construction work in the Commercial Settlement on a slight pretext of technicality caused a considerable amount of damages in the operation of the

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the Telephone Office.

43. ORDINANCE PROVIDING FOR PUNISHMENT OF CHINESE FOR SELLING
THEIR LAND TO FOREIGNERS.

- a) The Mukden Government, violaining the Treaty respecting South Manchuria and Eastern Inner Mongolia of 1915, issued in 1929 an ordinance prohibiting the sale of its land to foreigners and punishing the Chinese for violations either by capital punishment or life imprisonment. This ordinance made it impossible for the Japanese to lease land for industrial and agricultural purposes, the right of which is granted by the Treaty. Although the ordinance was slightly modified in June, 1930, it constitutes without any question a violation of Japan's treaty rights.

Due to the said ordinance, the existing treaties have been invalidated and, as a consequence, the lease of land by the Japanese is made practically impossible. Furthermore, the Chinese authorities are attempting to recover all rights from the Japanese, even those acquired prior to the issuance of this ordinance. For instance, in March, 1929, Chinese officials, by threatening with capital punishment, forced a Chinese, Li Un-pi, to take back the necessary documents for his land in Shenyanghsi en.

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from the Eastern Asia Hypothec Company. This land was legally leased by the said Company for ¥10,000.

Since the issuance of the ordinance, the following cases have occurred in succession:

- 1) The Governor of Sinminhsien imprisoned a Chinese landlord for selling his land in Chi-kung-tai to a Japanese.
 - 2) In Liu-ho-hsien, Chinese officials confiscated the land of a Chinese for leasing it to the Eastern Asia Hypothec Company, and expelled the Japanese supervisor.
 - 3) In Pen-chi-hsien, a Chinese land-owner was imprisoned for leasing his lime-producing land to a Japanese.
 - 4) In Chi-an-hsien, another Chinese was imprisoned for renting his house for a branch office of the Japanese police force. There are many examples similar to these cases.
 - 5) The Mukden Government, on the other hand, prohibits the lease of land by Koreans scattered in the province, the majority of whom are engaged in rice cultivation. Moreover, Government officials have been disapproving their tenant contract and forcing them to make labour contract instead.
- b) In Kirin Province, a similar ordinance was issued by the Governor, and as a result the rights of ownership of land

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by Koreans in the Chientao Agreement have been violated. In all districts in the Province, the Koreans are disabled to own land. The Government is not only prohibiting leases to Koreans but also interfering with their tenant contracts.

44. VIOLATION OF THE RIGHTS OF RESIDENCE AND FARMING BY KOREANS.

Beside aforementioned unfair treatment accorded to Koreans ^{the} in Manchuria, Chinese officials have been planning, directly or indirectly, to expell all Korean immigrants from the district, to make residence and farming and occupation of houses impossible. Furthermore, in the latter case the authorities force the Chinese house-owners to drive out Korean tenants.

- 1) In June, 1931, Government officials of Kirin, by using force, attempted the expulsion of all Koreans in Wan-paoshan, interfering with the tenant contracts between Chinese land-owners and Korean farmers.
- 2) In July, the same year, Government officials drove out new Korean immigrants of good standing from Tao-lai-chao in Kirin Province by the application of regulations relating to the control of Communists.
- 3) In August the same year, Government officials at Tungliao announced the suspension of business and removal of a

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Korean doctor who had a trifling civil trouble with a patient.

45. UNLAWFUL ARREST AND PUNISHMENT OF THE KOREANS IN THE THREE EASTERN PROVINCES.

Chinese Government officials have arrested and confined Koreans at pleasure, violating all existing treaties. The majority of these innocent captives are usually imprisoned for months without trial. Before the outset of the present Manchurian affair, there were 60 Koreans imprisoned in Mukden, 140 in Tunhua, 230 in Kirin, and about 40 in Harbin.

46. DISAPPROVAL OF THE EXTRA-TERRITORIALITY BY THE KIRIN PROVINCIAL COURT.

In the decision given in the case of a Korean defendant by the Kirin Provincial Court, it is stated, after realizing his nationality as a Japanese, that the Commercial Treaty between Japan and China had expired and the right of extraterritoriality of the Japanese then had no validity; therefore all Japanese should be subjected to the decision of the Chinese Court.

47. NON-FULFILLMENT OF THE CHIENTAO AGREEMENT.

In spite of the fact that the right of land ownership

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together with the right of exporting cereals by Koreans are specified in the Agreement relating to the Chientao Region, the Chinese authorities not only prohibit the ownership of land by means of the secret ordinance already described, but also check the export of rice to Korea by Korean farmers. In the latter case the financial condition of the Koreans is seriously affected (The price of rice in Chientao is 50 per cent cheaper than in Korea).

In the Chientao Agreement, it is also stated that in the hearing of important cases concerning lives of Korean defendants, previous notice is to be given to the Japanese Consular officials. In spite of this, the agreement has been completely disregarded by the Chinese authorities.

48. ANTI-JAPANESE PROPAGANDA THROUGH SCHOOL TEXTS.

Recently the Chinese Government has incorporated a great many anti-Japanese articles into the text-books of schools all over the country to inculcate the thought of revenge in the minds of innocent children. This is a grave issue, for it undermines international faith and the fundamental conception of friendly relations between Japan and China.

49. ANTI-JAPANESE PROPAGANDA BY THE NORTHEASTERN CULTURAL INSTITUTE.

This institution as a government organ has constantly been broad-casting anti-Japanese propaganda. For instance, in

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February this year, when a small explosion took place at Oyama Coal-mine, Fushun, the Institute made a false propaganda stating that "three thousand Chinese workers had been killed by the explosion", whereas no one was killed in that accident. They made no retraction of the statement when demanded by the Japanese authorities.

50. ANTI-JAPANESE PROPAGANDA BY THE LIAONING PEOPLES' DIPLOMATIC SOCIETY.

This society has been organized since June, 1929, for the purpose of encouraging anti-Japanese movement. Recently it has started publishing a magazine and also has been undertaking varieties of anti-Japanese agitation by furnishing ready-made articles to newspapers or by making anti-Japanese speeches at various gatherings.

51. UNDUE PRESSURE UPON THE SHENGCHING NEWSPAPER.

The Shengching Newspaper of Mukden, a Chinese language paper under Japanese management, has been and is recognized by all as the most reliable and authoritative paper in Manchuria. When editorials of this paper, written on fair and just basis, happened to be injurious to the Mukden authorities, they, not infrequently abusing their governmental authority, severely persecuted the management of the paper. Of many instances one of the outstanding cases

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was that the Chinese authorities, by tenacious and systematic interference with the circulation of the paper for ten months from 1927 to 1928, almost forced the plant out of business causing no small amount of damages to the publishers. Again from June to August in 1930 they persecuted the dealers of the paper and made its circulation impossible. From July to August this year the Chief of Police, conspiring with the Liaoning Peoples' Diplomatic Society, arrested principal sales agents of the paper in Mukden.

52. UNFAIR DISCRIMINATION IN ISSUING FOREIGN TRAVELLER'S PERMIT.

For the past ten years, the Mukden and Liaoyang officials have been denying the issuance of traveller's permit to the Japanese with a view to restricting the number of the Japanese going to Taonan, its western region, and the northern sector of Kirin Province. Hulutao, which is considered to become a competing port to Dairen in the near future, is also closed to Japanese travellers.

Regardless of Japan's repeated protests, they have sent orders to the officials at Tiehling, Liaoyang, Antung, Yingkou, Tunhua, and Hailung to suspend issuance of permits to Japanese travellers.

53. INTERFERENCE WITH TUNGLIAO FARM.

While a flood protection work was being carried on in

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a farm belonging to the Eastern Asia Hypothec Company, the Chief of Police, accompanied by a staff of policemen, visited the place and drove out the coolies from premises after setting fire to a shed.

54. THE CASE OF CAPTAIN NAKAMURA.

Captain Nakamura of the Japanese Army, while travelling in Kunantuen District, with another Japanese, N. Isugi, a Russian and a Mongolian guide, was arrested at Minanchien on July 26, 1931, by the Third Colonial Garrison of the Mukden Army and all were murdered. In spite of the strong protests by the Japanese authorities filed with the Mukden Government, the Chinese at first attempted to evade the issue completely disapproving the facts relating to the incident. Failing in this tactics they since have been evading their responsibility on the pretext of carrying on investigations.

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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

DOCUMENT FILE

NOTE

SEE 893.00/11686 FOR Despatch #

FROM Mukden (Myers) DATED Nov. 20, 1931.
TO NAME 1-1127 GPO

REGARDING: Japanese activities in Manchuria: Report on --
(Copy attached)

fpg

793.94/3297

A

No. -----

AMERICAN CONSULATE
GENERAL,
Mukden, China, November 20, 1931.

SUBJECT: Recent Political Developments.

The Honorable
The Secretary of State,
Washington.

Sir:

I have the honor to enclose herewith a copy of
my despatch No. 489, to the Legation, Peiping, China,
dated November 18, 1931, on the above subject.

Respectfully yours,

M. S. Myers
American Consul General.

Enclosure:

Copy of despatch No. 489.

MSM:HTW
800

1437

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Department of State letter, August 10, 1972
By Martin O. Quitsman NARS, Date 12-18-75

No. 489

AMERICAN CONSULATE GENERAL

Harbin, China.

November 18, 1931.

SUBJECT: Recent Political Developments.

The Honorable

Nelson Krusler Johnson,

American Minister,

Peiping, China.

Sir:

I have the honor to report upon recent political developments in Manchuria.

As has been indicated in my despatches, the Japanese have endeavored by one means or another to induce the Peace Maintenance Committee, of which Yuan Chin-k'ai is Chairman, to undertake the organization of a provincial government and according to reliable information the formal assumption of the functions of the provincial government by the Committee was taken only after it was subjected to great pressure. Japanese reports prior to November 8th when the Committee's public announcement was made anticipated the formation of a provincial government instead of the provisional arrangement adopted. A translation of the Committee's statement, of which a resume was telegraphed to the Legation on 1/ November 8th, 11 p.m., is enclosed herewith for reference purposes.

The

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 Department of State letter, August 10, 1972
 By Milton O. Gutzman NARS, Date 12-18-75

- 2 -

The Japanese are not satisfied with this arrangement and on good authority it has been learned that during the past few days Yuan Chia-k'ai has again been pressed to head a provincial government. Yuan, it may be added, has been criticized by the Japanese for his speech at the meeting of the Chamber of Commerce on November 15th, (reported in my despatch No. 408 of November 17, 1931, entitled "Japanese Demonstration at Mukden") but no doubt they are at a loss to find any other suitable person for this post. It is thought that the Japanese desire to have governments in Manchuria favorable to them fully organized before questions on this subject may be raised by the League of Nations or before negotiations with China are initiated.

The Japanese are meeting with more difficulty in establishing independent governments in Manchuria than they apparently anticipated. Chang Hsi-p'eng, it is reported, is now recalcitrant and no doubt if Hsi Ch'ia at Kirin were in a position to show his true colors he would not be accepting orders from the Japanese. The population of Manchuria is overwhelmingly Chinese, racially as well as by sentiment, and even though the Japanese may find a few persons who may be induced to head puppet governments Japanese control and influence are bound to become obnoxious and will wane unless supported by military force. It is thought by some observers that no Chinese independent government will succeed in Manchuria even with Japanese support but that a Manchu government would

probably

- 3 -

probably meet with less opposition from the Chinese and possibly some favor among the Manchus and Mongols. In any case, it is apparent that the situation is becoming more complicated and its settlement more difficult.

Although confirmation has not yet been obtained, information has been received to the effect that Henry Pu Yi, or the ex-emperor Hsuen Tung, is now at Tangkungtzu, a Japanese hot springs resort about half way between Mukden and Hailan. If this report is correct it will be confirmed within the next day or two. There is reason to believe that an attempt was to have been made to install Pu Yi as Emperor at Mukden on November 18th but that due to official opposition for some reason or other the matter has been postponed or dropped.

Yesterday two recent developments in the local situation which appear to me to be indicative of the trend of events were brought to my attention. One is that the formation of the proposed bandit suppression office under K'ian Chao-hai, a member of the Peace Maintenance Committee, has been definitely refused by Japanese military headquarters - the proposed bandit suppression force was to number only 12,000 men. The other development was the veto by military headquarters of the proposed formation of a police department and force for the province which had previously been agreed to in principle (Reference my despatch No. 479 of November 6, 1931). It would seem that, for the time being, the Japanese headquarters have no desire to extend the authority of the Peace Maintenance Committee.

It

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DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

- 4 -

It has been definitely learned that Chang Hsueh-ch'eng, a cousin of Marshal Chang Hsueh-liang, who was involved in the rebellion of Chih Yu-san last summer, was killed a few days ago by Chinese soldiers at Kao-shantzau, west of Tachusan, and that his remains were conveyed to Chinhsien. Chang, it may be added, was at the head of a force of a thousand bandits. As has been previously reported, Ling Yin-ch'ing, who had been raising a bandit force to attack Chinhsien, was captured several weeks ago and according to press reports has since met his death.

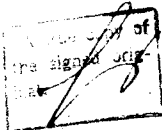
Respectfully yours,

M. S. Myers.
American Consul General.

1/ Enclosure: Translation of statement of Peace Maintenance Committee.

Original and one copy to Legation.
Five copies to Department.
Copy to Embassy, Tokyo.
Copy to Consulate General, Martin.
Copy to Consulate, Tairan.

MM:MB
600.



DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Lustigsm NARS Date 12-18-75

Enclosure No. 1, to despatch No. ⁴⁸⁹, of W. J. Myers, American
Consul General, Mukden, China, to the Legation, Peking,
dated November 18, 1931, on the subject "Recent Political
Developments".

PROCLAMATION OF THE PEOPLES' REPRESENTATIVE COMMITTEE, MUKDEN.
(Issued November 8, 1931)

Since the outbreak of the trouble (September 18)
the Government has not functioned. This Committee was
formed to maintain peace and order. In matters rela-
ting to negotiations, this Committee does not concern
itself with what has happened in the past nor what may
occur in the future, but during this transition period,
it cannot but, for the love and protection of the
people of the Northeast act on their behalf by exer-
cising the prerogatives of government. It has severed
connection with the old government of Chao Kuei-liang
and the national government (at Nanking) in order that
the people may follow their occupations as usual. The
authority of the officials shall be defined in order
that the minds of the people may be set at rest and
the laws observed. Apart from informing others, all
bureaux and administrations are requested to observe the
orders and instructions of this Committee which must
be carried into effect without failure. This is a
proclamation.

November 7, 1931.

Yuen Chia-k'ai	Yu Ch'ang-han	Hsi Chia-hsin
Chang Ch'ang-chi	Hsi-liang	eng H-yü
Kao Yu-hong	Chen Hsi-hsi	

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DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

793.94

DOCUMENT FILE

NOTE

SEE 893.74/943 FOR letter

FROM United Press (Bickel) DATED Dec 18, 1931
TO NAME 1-1127 ope

REGARDING:

Mukden Radio station that was closed by the Japanese and the desire of the United Press to have it again opened so as it will be available for use when the League investigated the situation in Manchuria.

ek

793.94/3298

144
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

793.94
DOCUMENT FILE

NOTE

SEE 893.00 P.R. Chefoo/50 FOR 4-

FROM Chefoo (Webber) DATED Nov 25, 1931
TO _____ NAME _____ 1-1127 o p o

REGARDING:

Military conference in which General Liu announced that he had received orders from Nanking to resist the Japanese if they attempted to occupy Chefoo. Public opinion the most beligerent since the beginning of the Manchurian affair.

793.94/3299

AMERICAN CONSULATE,

Chefoo, China, November 25th, 1931.

Subject: Political Situation at Chefoo.

The Honorable

Nelson Trusler Johnson,

American Minister,

Peiping.

Sir:

I have the honor to submit the following brief summary of the present political situation in this district:

GENERAL.

On account of the persistent rumors of disturbances to be started here by so-called "long gun men", the feeling in the port has again become tense. The police and military are exercising extra vigilance, especially after sunset.

MEETING OF MILITARY COMMANDERS.

General Liu Chen-nien presided over, what was considered locally, an important military conference of his brigade commanders and staff, which was held at the local Yamen on Sunday evening, November 22nd, 1931. General Liu announced there that he had received instructions from Peking to resist any attempt the Japanese may make either to land forces or occupy Chefoo. His attitude

and

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DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

DOCUMENT FILE

NOTE

193.94

SEE 893.00 P.R. Yunnan/37 FOR #80

FROM Yunnanfu (Stevens) DATED Nov 16, 1931
TO NAME 1-1127

REGARDING:

Agitation against the Japanese by local cadets, police, and populace

793.94 / 3500

ek

Anti-Japanese Activities:

On October 3rd, as a consequence of intense agitation in September over the Japanese military invasion of Manchuria, a mob of between 20,000 and 30,000 students, agitators, police and cadets of the local military academy attacked and completely destroyed the fronts and interiors of two Japanese shops in Yunnanfu. Stones were thrown at several Japanese residences breaking window panes and doing other minor damage. Fortunately, the persons of Japanese residents could not be found and therefore escaped injury. Senior students of the military academy led the attack on Japanese establishments by breaking down the wooden panels of the shop fronts with their bayonets and rifles. Although Japanese goods of considerable value were stolen and destroyed, plans for the attack leaked out twenty four hours in advance, thus making it possible for the proprietors to remove a considerable portion of their merchandise under cover of darkness the night before.

Mr. Kasuya, the Japanese proprietor of the Kasuya Store, stated in the presence of the writer that not only did the cadets destroy everything of value found in his store but they also forced their way into his residential quarters at the rear and threatened one of his Chinese servants with immediate death if the latter did not lead them to Mr. Kasuya's hiding place. The servant by persistently holding to his story that Mr. Kasuya had escaped over a back wall is believed to have saved the life of his employer.

The

The apparent apathy with which responsible authorities of the local Government viewed these acts of vandalism, their failure to take even ordinary precautions to prevent them, and their subsequent toleration of other forms of anti-Japanese excitations, are illustrative of the official attitude here towards the Japanese.

As a corollary of the attack on Japanese stores, the continued residence in Yunnanfu of Japanese subjects became untenable. Plans for their prompt evacuation were carried out on the night of October 5th when, with the exception of the Japanese Consul and a dentist, all Japanese subjects evacuated to Hanoi on a special train provided by the French railway officials.

The Japanese Consul, Mr. Hashimaru, felt that he should leave, but in the absence of instructions from his Government he could not do so. The Yunnan Telegraph Administration failed to deliver or transmit any telegraphic communications for Japanese subjects. It was only with the assistance of his consular colleagues that Mr. Hashimaru was able to receive timely instructions from the Japanese Minister authorizing the closing of the consulate and his departure.

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

DOCUMENT FILE

NOTE

SEE 894.51/317 FOR Despatch #406

FROM Japan (Neville) DATED Dec. 2, 1931.
TO ----- NAME 1--1127 ***

REGARDING:

Occupation of Manchuria by Japanese Troops is
a serious drain on Japanese Government's financial
resources, and trade is affected by the intensified
Chinese boycott of Japanese goods.
(Copy attached)

fpg

793.94 / 3301

44
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Huston NARS, Date 12-18-75

Tokyo, December 2, 1931.

No. 406

The Honorable
The Secretary of State,
Washington.

Sir:

I have the honor to report that the question of reimposition of an embargo on the export from Japan of gold specie has recently become important and that an increasing number of financiers and industrialists apparently believe that this measure will be resorted to within a few weeks or a few months.

Several factors have contributed during the past autumn to render opinion favorable to a return to an embargo. The accelerated outward movement of gold specie during October and November caused genuine alarm in some quarters. When

the

- 2 -

the gold ban was lifted on January 11, 1930, through the efforts of the present Minister of Finance, there was a specie reserve of approximately Yen 1,072,000,000. Yesterday, December 1st, this reserve was reported to have decreased to Yen 527,716,000, considerably more than half of this total having been shipped since October 1st of this year - Yen 236,500,000 during October and November and Yen 15,000,000 on December 1st. This precipitate diminution of the reserve was explained as chiefly a measure to end speculation in gold dollars, a measure apparently successful as the speculation is now authoritatively reported to have ended. It is conceded by responsible persons that, should the reserve be subjected to further serious depletion, an embargo would become imperative regardless of its advisability from other points of view.

The recent suspension by the Bank of England of the conversion of notes into gold has had, I feel, an effect on the Japanese attitude, tending to make them view more complaisantly a return to an embargo than would otherwise have been the case. Having for many years admired the sound finance of Great Britain, many of them seem inclined to feel: If England, why not Japan? Besides, they see that the decline of sterling has apparently aided British industry so far as exports are concerned, while conversely its ill-effects on Japanese foreign trade they regard as remediable by devaluation of the yen.

The Minister of Finance has announced that the budget for the fiscal year beginning April 1, 1932, can be balanced only by resort to loans and increase of taxes.

This

- 3 -

This is an abandonment - even if only temporary - of policies that have been adhered to with surprising rigor since the formation of the present Cabinet. It leads many to regard the present financial situation as serious enough to warrant as grave an action as resumption of the gold embargo. (The problem of balancing the budget I shall discuss in more detail in a later despatch reporting the preliminary budget now under examination by the Cabinet.)

The action of the Japanese military in Manchuria since September 18th has added to the need for a radical step. The occupation of certain points in Manchuria by Japanese troops is an additional drain on the Government's financial resources at a crucial time, while trade that was already depressed is adversely affected by the intensified Chinese boycott of Japanese goods and by the interruption of trade with Manchuria.

The published opinions of various influential men or groups of men favoring an embargo have undoubtedly had an effect. For example, the Diet members of the Opposition Party, the Seiyukai, met on November 10th and passed a resolution advocating the immediate prohibition of export of gold specie, the resolution being based on the report of the Party's Committee on Economic Problems. The sincerity of this resolution is questionable as it is usual for the Opposition to do all in its power to embarrass the Government as a Diet session approaches. The resolution is of more than usual interest, however, because of the frequent rumors of an approaching change of Government, as reported in my despatch No. 396 of November 20, 1931. Should the Seiyukai be directed to form the next Cabinet or to take part in a coalition

- 4 -

cabinet, the probability of reimposition of an embargo would be greater than under the present Minseito Government. Early last month the presidents of the chambers of commerce of Japan's five leading cities made an announcement in support of the gold policy of the Minister of Finance, but shortly afterwards "many members" of the Tokyo Chamber of Commerce stated their disagreement with this point of view. A few weeks ago a brochure of 65 pages in simple language on the advisability of a gold embargo was published by Mr. Sanji Muto, former president of the Kanegafuchi Spinning Company, who is regarded by many as a sound economist of sincere and disinterested views. Since October 28th, according to the Tokyo YOMIURI, more than 600,000 copies of this publication have been sold and it has become one of the two present-day "best-sellers". When the gold embargo was removed in 1930, the vernacular press was in almost complete accord with the measure. Now, however, the JIM, one of the most influential Tokyo dailies, is violently opposed to free export of gold, while several others have adopted a very luke-warm attitude.

In the face of these adverse conditions and opinions, the present Government is maintaining a very firm attitude, and I cannot but feel that the present policy will not be abandoned unless circumstances finally compel a change. On November 28th, the Minister of Finance made a speech at Osaka before the bankers of Central Japan in which he defended his stand against a return to an embargo on gold. He pointed out that the economic situation in Japan suffered two serious blows this autumn; namely, the Manchurian affair and Great Britain's financial action. Despite these

two

- 5 -

two events, Mr. Inouye does not believe that Japan will find it necessary to prohibit the export of gold. Nor, in his opinion, will the adverse trade balance cause an outflow of gold to a degree that will make such a step necessary. He said that, although trade figures for the first ten months of this year when compared with the corresponding period of last year show a diminution of almost one-half with an excess of imports over exports of Yen 99,000,000, this excess will be taken care of by the "invisible receipts" on account of Japan's foreign trade and that no large shipment of specie for the settlement of foreign trade accounts will be necessary. He mentioned as regrettable but unavoidable the rise in the discount rate of the Bank of Japan on October 6th and again on November 6th. Summing up, however, he showed himself firm in his belief that the policy of free export of gold must be adhered to.

Respectfully yours,

For the Ambassador:

Edwin L. Neville
Counselor of Embassy

Embassy's File No. 851.01

LES/AA

aa

14E
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

DOCUMENT FILE

NOTE

SEE 893.00B/858 FOR #D-149

FROM Nanking (Peck) DATED Nov. 24, 1931
TO 2 NAME 1-1127 o.p.

REGARDING: Chinese-Japanese conflict in Manchuria.

Conversation with an officer attached to military office of National Govt. concerning rumor that Chu Teh and Mao Tse-tung had surrendered to National Government. Believes that if the League is not fair and just in settling the Chinese-Japanese dispute, China may be compelled to form an alliance with Soviet Russia, in order to have a source of military supplies after her coast ports are blockaded by Japanese warships.

793.94/3302

1eb

No. D-149

AMERICAN CONSULAR SERVICE
American Consulate General,
Nanking, China.

November 24, 1931.

Subject: Communist Activities in China.

The Honorable,
The Secretary of State,
Washington.

Sir:

I have the honor to refer to my despatch of July 23, 1931, entitled "Communist Activities in China", and to report, in continuation thereof, that a Chinese member of the staff of this Consulate General has recently conversed confidentially on this subject with an officer lately attached to an important military office of the National Government. From statements made during this conversation the following observations may be made.

The particular subject which was under investigation was whether the Communist leaders in Kiangsi province, Chu Teh and Mao Tse-tung, had actually surrendered to the National Government, as had been reported. From information available it would appear that after the Japanese action at Mukden on September 18, last, these two Communist leaders sent representatives to the Field

Commander's

-2-

Commander's Headquarters at Nanchang, Kiangsi, to express the desire of both of the Communist generals to fight against the Japanese invaders. The officer in command of the Headquarters reported the matter by telegraph to the Commander-in-Chief, in Nanking, and was instructed that the surrender of the two Communists would be accepted if they would come in person to the Capital. The instruction further stated that after Chu and Mao arrived at the Capital their armies would be reorganized, but Chu and Mao would continue as the commanders. After the transformation, Chu and Mao and their forces would no longer be Communist, but would belong to the National Army. Subsequently the representatives of the Communist leaders replied that the latter promised to visit Nanking early in October.

Up to the present time, however, Chu and Mao have not left Kiangsi for Nanking. There is a report, said to have originated from incautious remarks made by an officer who has been taking the minutes of conferences between high military officers in Kiangsi during the last two months, that the authorities of the National Government concluded that it would be unwise to have Chu and Mao come to Nanking at the present juncture, since other Powers might mistakenly infer from this that China had become pro-Communist. Information has been given out from official sources that parts of the forces of the two leaders have been captured, reorganized and sent to the North for duty, but it seems more likely

that

-3-

that these former Communist troops were not captured, but were made up of troops who voluntarily left the Communist banner and surrendered to the National Government.

In the Chinese press during November reports have appeared praising the energy displayed by the Government forces in Kiangsi in the work of exterminating the remnants of Communist armies under K'ung Ho-p'ang and other leaders, but omitting all mention of the fate of the armies of Chu Teh and Mao Tse-tung. Two explanations of this noticeable omission are given. One explanation is that it is merely an additional evidence that these two leaders have surrendered, as stated, and that no further measures need be taken to exterminate their forces. Another explanation is that if the League is not fair and just in settling the Sino-Japanese dispute, China may finally be compelled to form an alliance with Soviet Russia, in order to have a source of military supplies after her coast ports are blockaded by Japanese warships. If this contingency arises, Chu and Mao will be the most suitable army commanders to join with the Soviet forces in fighting Japan. However, normal diplomatic relations between China and the Soviet Government have not yet been restored and newspaper reports regarding the possibility of utilizing the Communist forces of Chu and Mao in the manner indicated might prove inconvenient to the National Government at

the

-4-

the present time. In order to avoid these difficulties, it is considered advisable that no mention of these two leaders and their forces appear in the press. The informant concluded by stating that it is quite correct to say, just at present, that these two leaders have surrendered to the National Government; but it should be borne in mind that if their attitude should suddenly change, they probably would immediately sever their relations with the National Government.

AN AMERICAN citizen who has recently traveled in Hupeh, Kiangsi and other Yangtze Valley provinces, informed an officer of the Consulate General on November 24, 1931, that from information gathered from American missionaries and other persons, he believed that there was a Communist state with a solid block of territory in southern Kiangsi, that it had adequate revenues (it was reported to have Chinese \$12,000,000 in cash reserves), and that the peasants were contented under its sway. The property of the wealthy, he said, had been distributed among former tenantry, and terroristic methods had been to a great extent abandoned. In this connection I have the honor to recall despatch No.L-40, of November 18, 1931, from the American Consul General at Hankow to the American Minister, regarding the captivity of Mr. Bert Nelson, in which Mr. Adams gives certain evidences which would lead one to suppose that there

145C
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Lustig NARS, Date 12-18-75

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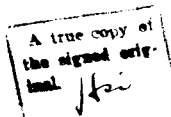
is an organized Communist state in Hupeh. My American informant stated that the Communists were well entrenched in the vicinity of Hankow, and he asserted that, because of their more efficient and humane administration, the Communist forces were preferred by the masses of the population to the forces of the National Government.

Respectfully yours,

Willys R. Peck,
American Consul General.

In quintuplicate to the Department
In duplicate to the Legation
Single copy to the Commander-in-Chief, Asiatic Fleet
Single copy to the American Consul General, Hankow
Single copy to the American Consul General, Shanghai
Single copy to the American Consul General, Canton
Single copy to the American Consul General, Tientsin
Single copy to the American Consul General, Harbin
Single copy to the American Consul General, Mukden

800
WRP:NR



146
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Lustig NARS, Date 12-18-75

TELEGRAM RECEIVED

MET

PLAIN

COPIES SENT TO
O.N.I. AND M.I.D.

FROM

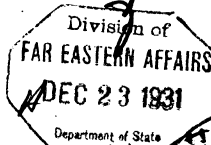
Peiping via N.R.

Dated December 23, 1931

Rec'd 8:40 a.m.

Secretary of State,
Washington

*Telegram to
Gruva*



1123, December 23, 5 p.m.

Following from Reuter, Tokyo, December 22:

"The Japanese War Office issued a statement to the press this afternoon which clears up any ambiguity regarding the Japanese offensive.

The statement expressed regret that the army is compelled to launch drastic operations against bandits but emphasizes that in spite of the Kwantung army's 'patience' in giving the Chinese time to reconsider the question of withdrawing voluntarily, Marshal Chang Hsueh Liang failed to show sincerity but on the other hand continued to act in a provocative manner. It asserts that he has plotted to create disturbances in Manchuria with Chinchow as a base and that consequently action for the purpose of restoring and maintaining peace and order is unavoidable.

After giving details of numerous instances illustrative of

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793.94/3303

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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

MET

2-#1123 from Peiping via N.R.,
December 23, 1931.

of the constant danger of lives and property and of the interruption of railway services throughout a widespread area by the action of Chinese irregular forces and bandits cooperating with Chinese regular troops the statement asserts that the requirements of self-defense necessitates taking action".

JOHNSON

WSB

4 5
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

DOCUMENT FILE

NOTE

SEE 893.003/857 FOR Report #-

FROM Shanghai (Huston) DATED Nov. 13, 1931
TO NAME 1-1127 o p o

REGARDING: Japanese activities in Manchuria.
Quotes excerpts from China CRITIC of Nov. 7, 1931
concerning the situation in Manchuria and --.

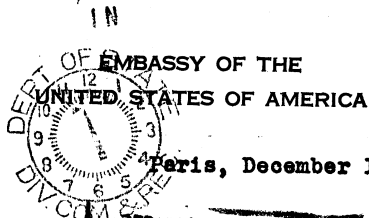
793.94/3304

1e^b

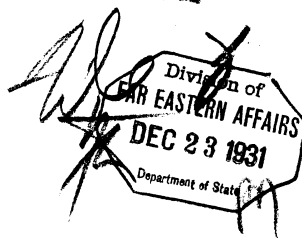
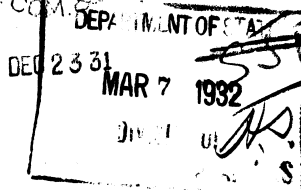
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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75



No. 2086.



Paris, December 15, 1931.



F/LS

793.94/3305

The Honorable

The Secretary of State,
Washington, D. C.

Sir:

In compliance with the Department's instruction No. 293 of August 19, 1930, I have the honor to transmit herewith clippings from the French press, on the subject of the Sino-Japanese conflict, covering the period from December 10 to December 14, 1931, inclusive.

MAR 8 1932

FILED

Respectfully yours,

Walter E. Edge.

Enclosures.....

793.94

- 2 -

Enclosures (single copy):

Clippings from the following newspapers:

December 10, 1931.

- No. 1 - L'ECHO DE PARIS
2 - EIGELSIOR
3 - FIGARO
4 - L'HUMANITE
5 - LE JOURNAL
6 - LE MATIN
7 - L'OEUVRE
8 - LE PETIT PARISIEN
9 - LA MANDCHOURIE SOUS LA BOTTE DU JAPAN:

December 11, 1931.

- No. 10 - L'ECHO DE PARIS
11 - L'ERE NOUVELLE
12 - FIGARO
13 - L'HUMANITE
14 - L'OEUVRE
15 - PARIS MIDI
16 - LE PETIT PARISIEN
17 - LA REPUBLIQUE
18 - LE TEMPS

December 12, 1931.

- No. 19 - L'HUMANITE
20 - LE JOURNAL
21 - LE QUOTIDIEN
22 - LE TEMPS

December 13, 1931.

- No. 23 - L'HUMANITE
24 - LE POPULAIRE

December 14, 1931.

- No. 25 - FIGARO
26 - L'HUMANITE

In quintuplicate.
710.
RTP/jdk

Enclosure No. 1 to Despatch No. 2086
of December 15, 1931.

From the Embassy at Paris.

Extract from L'ECHO DE PARIS, December 10, 1931.

AU CONSEIL DE LA S.D.N.

Dénouement futile de vingt-quatre journées de discussions

Pressés d'en finir avec l'affaire mandchourienne, les douze membres du conseil avaient voulu à tout prix que la séance publique, marquant la clôture des travaux, eût lieu, hier, mercredi.

Ils ont eu leur séance publique mais assez ridicule. Dans la matinée, M. Yoshizawa avait fait connaître que le gouvernement de Tokio, ne pourrait câbler, en temps utile, des instructions complètes. De son côté, le ministre de France en Chine avait télégraphié que, toute la journée de mardi, M. Wellington Koo, ministre des affaires étrangères, était demeuré introuvable. Résolu à passer outre, M. Briand et sir Eric Drummond arrangèrent donc, dans la matinée, le scénario de la séance, leur grande préoccupation étant d'obtenir le silence des parties.

Il fut entendu que le passage de la déclaration présidentielle susceptible d'éveiller la protestation et les réserves de M. Yoshizawa, au sujet de l'exercice du droit de police en Mandchourie, serait passé sous silence. Il serait repris à la séance de jeudi — la dernière des dernières — si, dans l'intervalle, l'agrément japonais avait pu être obtenu. Pour le reste, le représentant du Japon se contenterait de demander l'ajournement au lendemain afin de se ménager le temps de recevoir les instructions attendues. Point d'autre monologue ou dialogue. Pour prolonger un peu la séance, pour allonger la saute vraiment bien courte, des condoléances s'étaient échangées sur la mort de M. Salandra, et la commission chargée de délimiter la frontière de la Syrie et de l'Irak serait créée. Le scénario a été exécuté à la lettre, sans aucun accroc.

Un second scénario sera établi, ce matin, pour bannir toute surprise de la séance de l'après-midi, autant que faire se peut. Toutefois, les instructions de Tokio qui sont parvenues, hier soir, à M. Yoshizawa, ne laissent pas de susciter quelque embarras. Le Japon se rallie au projet de résolution; mais il n'approuve la déclaration présidentielle qu'à certaines conditions. D'abord, il insiste pour que le paragraphe de la déclaration présidentielle où il est traité de son droit de police en termes qui se contentent de constater le fait existant, sans plus, disparaisse définitivement. Il préfère que son ambassadeur procède lui-même à la définition nécessaire sous forme de déclaration ou de réserve. En ou-

tre, le Japon n'est pas entièrement satisfait de la déclaration présidentielle qui a trait au paragraphe 5 du projet de résolution: « Si les engagements que les deux parties ont pris aux termes de la résolution du 30 septembre n'ont pas été exécutés au moment de l'arrivée de la commission, celle-ci devrait adresser au conseil un rapport sur la situation aussi rapidement que possible. » M. Yoshizawa déclarera que ce texte, pour autant qu'il l'accepte, n'implique aucune fixation de la date de l'évacuation, implicite ou explicite. Seul, le Japon jugera de l'heure à laquelle rappeler ses soldats dans la zone du chemin de fer.

La Chine émettra-t-elle, en sens opposé, des réserves sur les deux points que soulèvent les objections japonaises? Alors, nul ne pourra déterminer au juste ni les engagements pris par les parties ni la nature de la tâche confiée à la commission. Tout finira dans l'équivoque. Il est vrai que la liberté de mouvement laissée au Japon reste si prédominante que cette équivoque confinée, en quelque sorte dans l'ordre inférieur, est assez négligeable.

La comédie est terminée. Le Conseil a dû batailler vingt-quatre jours durant pour mettre debout deux textes qui ne font que rééditer la résolution du 30 septembre où la Chine s'engage à prendre des « mesures de sécurité, qu'elle est incapable de prendre, où le Japon promet de rappeler ses troupes quand seront appliquées des mesures de sécurité qui, il en est sûr, ne seront jamais appliquées, et, de plus, fait tacitement reconnaître une action de police présentée comme éventuelle tandis qu'elle se déroule quotidiennement sous nos yeux. Seule, la commission d'étude innove sur le passé. Mais elle est seulement chargée d'aller voir ce qui se passe là-bas, alors que nul n'ignore ce qui s'y passe.

Un tronc privé de jambes, de bras et même de tête, mais possédant un œil, un œil assez mal placé, dans le nombril, un œil n'ayant pas la liberté de la paupière: tel se révèle, en action, le conseil de la Société.

Signalons un petit échange de paroles assez comique entendu, hier matin, à la réunion des Douze. « Et l'Amérique? interrogea M. de Munster, que fait-elle? Verrons-nous enfin le général Dawes à la table du conseil? » — « N'y comptez pas, répliqua sir Eric Drummond. Le général Dawes nous approuve, mais ne veut point se montrer. » — « Ne pourrait-il au moins marquer dans une lettre son entente avec nous? », reprit lord Cecil. — « N'y comptez pas! »

M. Briand reste chargé de suivre l'affaire jusqu'à la prochaine session ordinaire, jusqu'au 28 janvier.

Et il a décidé que le comité de rédaction, composé d'un délégué de lord Cecil et de deux fanatiques, MM. de Madariaga, ambassadeur d'Espagne et M. Kolban, ministre de Norvège, tous deux anciens directeurs de la section du désarmement à Genève, l'assisterait en permanence de ses avis. Grand bien lui fasse!

PERTINAX.

Enclosure No. 2 to Despatch No. 2086
of December 15, 1931.
From the Embassy at Paris.

Extract from EXCELSIOR, December 10, 1931.

LE CONSEIL DE LA S.D.N. TIENDRA AUJOURD'HUI UNE DERNIERE SEANCE AU SUJET DU CONFLIT SINO-JAPONAIS

Hier, M. Briand a donné lecture à ses collègues de la résolution que la Chine et le Japon vont accepter.

LA SITUATION EN MANDCHOURIE

Le conseil de la Société des nations a, enfin tenu, hier après-midi, une séance plénière au cours de laquelle M. Aristide Briand donna lecture non seulement de la résolution du conseil,



M. YOSHIZAWA
arrivant hier au Quai d'Orsay

mais également de sa déclaration interprétative. Le conseil ne put conclure, le délégué japonais Yoshizawa n'ayant pas encore reçu ses instructions définitives de Tokio ayant demandé le renvoi à la réunion de cet après-midi.

Ce fut donc une séance de pure forme et il faut attendre celle de cet après-midi pour savoir si le Japon ne présentera pas d'amendements à la résolution d'ailleurs, très anodine et qui en fait ne fait que prévenir l'aggravation du conflit tout en reconnaissant momentanément tout au moins, le *statu quo*.

Voici le texte du projet de résolution qui attend maintenant l'agrément de Tokio, le délégué chinois, le Dr Sze, étant prêt à se rallier à la majorité.

Le projet de résolution

Le Conseil,
1° Réaffirme sa résolution adoptée à l'unanimité le 30 septembre 1931, et par laquelle les deux parties se déclarent solennellement liées.

Il demande, en conséquence, aux gouvernements chinois et japonais de prendre toutes les mesures nécessaires pour en assurer l'exécution, de manière que le retrait des troupes japonaises dans la zone du chemin de fer puisse s'effectuer le plus rapidement possible, dans les conditions énoncées dans ladite résolution ;

2° Considérant que, depuis sa réunion du 24 octobre, les événements se sont encore aggravés,

Prend acte de l'engagement des deux parties de prendre toutes les mesures nécessaires pour éviter toute nouvelle aggravation de la situation et de s'abstenir de toute initiative pouvant entraîner de nouvelles rencontres et de nouvelles pertes de vies humaines ;

3° Invite les deux parties à continuer de tenir le Conseil au courant de l'évolution de la situation ;

4° Invite les autres membres du conseil à fournir à celui-ci les informations qu'ils recevront de leurs représentants sur place ;

5° Sans préjudice de l'exécution des mesures ci-dessus visées,

Désirant, vu les circonstances spéciales de l'affaire, aider les deux gouvernements à résoudre définitivement au fond les questions pendantes entre eux,

Décide de nommer une commission de cinq membres chargée de procéder à une étude sur place et de lui faire rapport sur toute circonstance qui, de nature à affecter les relations internationales, menace de troubler la paix entre la Chine et le Japon ou la bonne entente entre les deux pays, dont la paix dépend ;

Les gouvernements de la Chine et du Japon auront, chacun, le droit de se faire représenter auprès de ladite commission par un assesseur ;

Les deux gouvernements donneront à la commission toutes facilités pour obtenir sur place toutes les informations qu'elle pourra désirer ;

Il est entendu que si les deux parties engageaient entre elles des négociations, la commission n'aurait pas qualité pour y intervenir ; il ne lui appartiendrait pas non plus d'intervenir dans les dispositions d'ordre militaire de l'une ou de l'autre partie ;

La constitution ou les travaux de la commission ne préjudicieront pas au retrait des troupes japonaises à l'intérieur de la zone du chemin de fer que le gouvernement du Japon s'est engagé à effectuer, conformément à la résolution du 30 septembre ;

6° D'ici à sa prochaine session ordinaire, qui aura lieu le 25 janvier 1932, le conseil, qui reste saisi de la question, charge son président de suivre celle-ci et de le convoquer à nouveau, dans le cas où il l'estimerait nécessaire.

M. Briand a donné également lecture d'une déclaration qui commente ce texte.

Au début de la séance, M. Briand avait, dans des termes émouvants, parlé de la disparition de M. Salandra qui, pendant deux ans, collabora aux travaux du conseil de la Société des nations ; puis, M. Fotitch sut, dans des termes élevés, rappeler la carrière de M. Loucheur, soulignant l'effort qu'avait fourni l'ancien délégué de la France à la Société des nations, lorsqu'il prit la présidence de la conférence des réparations orientales.

M. Briand le remercia dans des termes émus en faisant l'éloge du caractère de celui qui, pour lui, avait été plus qu'un collaborateur, mais le plus dévoué des amis. — MAURICE RAYMONDE.

FIG.10

Enclosure No. 3 to Despatch No. 2086
of December 15, 1931.
From the Embassy at Paris.

Extract from FIGARO, December 10, 1931.

LA DÉROUTE DES QUATORZE

Figaro

17/10

Le salon de l'Horloge a rouvert ses portes, hier après-midi, pour une séance publique du Conseil de la Société des Nations. Voici exactement vingt-quatre jours que ces Messieurs exercent, en pure perte, leur talent diplomatique sur le conflit sino-japonais. La situation en Mandchourie est plus grave que le 16 novembre. C'est un résultat, mais qui n'est pas précisément conforme à l'orthodoxie du Pacte.

La séance a commencé par l'oraison funèbre de deux membres de la Ligue, récemment décédés. Puis on a procédé aux cérémonies de l'enterrement du conflit sino-japonais; elles continueront aujourd'hui et se termineront vraisemblablement à Genève, au cours de sessions ultérieures, à moins que la Société des Nations n'ait, d'ici là, disparu.

On ne saurait trop louer les membres du Conseil de s'être mis d'accord, à l'unanimité, sur la nécessité de terminer au plus tôt le spectacle affligeant de leur désunion et de leur impuissance. Peu importe que leur séparation ressemble à une débandade. La presse officieuse masquera la retraite. Leur modeste résolution deviendra une proclamation émouvante. Leur sauve-qui-peut, vu sous un angle favorable, sera une charge héroïque contre les peuples qui ne respectent point les prescriptions de la Ligue.

Et, cependant, que dit ce projet de résolution, dont on fait tant de cas dans les milieux genevois et briandistes? Il réaffirme la résolution du 30 septembre dernier, par laquelle le Japon s'est engagé à replier ses troupes dans la zone du chemin de fer sud-mandchourien, à condition que la sécurité de ses ressortissants soit assurée par la Chine. Il recommande aux deux parties de s'abstenir de toute initiative qui puisse entraîner de nouvelles pertes de vies humaines. Il prévoit la nomination d'une commission de cinq membres, qui sera chargée de procéder à une étude sur place et de faire rapport au conseil sur toute circonstance de nature à troubler la paix. La commission n'aura pas à intervenir dans les négociations que pourraient engager les deux parties, non plus que dans les dispositions d'ordre militaire qu'elles prendraient.

La déclaration présidentielle qui accompagne ce projet n'est guère plus explicite que le document lui-même. Il n'est pas fixé de date pour l'évacuation. Les membres de la commission d'étude n'ont pu être désignés. Une zone neutre n'a pu être établie dans la région de Tchén-Tchéou. Le Japon ne se voit pas reconnaître explicitement le droit de réprimer le banditisme. Tous les problèmes délicats ont été éludés, après de longs et vains efforts tentés pour les résoudre.

Il eût été malséant, de la part du Conseil, de laisser troubler, au cours de cette première reprise de contact avec l'opinion, l'harmonie de son projet d'accord. Aussi bien a-t-il été décidé que la discussion aurait lieu aujourd'hui. M. Yoshizawa parlera de la répression du banditisme. M. Szé insistera pour le retrait des troupes japonaises. M. Briand chantera un couplet. Il ne restera plus qu'à former des vœux pour que le salon de l'Horloge ferme ses portes aux vents de l'hiver, et que le Ciel prenne sous sa protection les malheureux qui montent la garde en Mandchourie.

James Donnadien.

H. 10

Enclosure No. 4 to Despatch No. 2086
of December 15, 1931.
From the Embassy at Paris.

Extract from L'HUMANITE, December 10, 1931.

**Après quatre semaines
de marchandages**

**BRIAND SOUMET AU CONSEIL
DE LA S. D. N.
UNE RÉOLUTION QUI LÉGALISE
LES CONQUÊTES JAPONAISES**

Le danger
menaçant l'Union Soviétique
et les Soviets chinois
se fait encore plus pressant

Comme nous l'avions annoncé, une séance publique du Conseil de la Société des nations s'est tenue hier à Paris. Le porte-parole de l'impérialisme français, Briand l'adulé des social-fascistes, a présenté la résolution qui eut tant de peine à naître, en l'accompagnant d'une déclaration-annexe aussi vague que la résolution elle-même.

Par ce document, le Conseil de la S. D. N. rappelle d'abord la résolution adoptée le 30 septembre de cette année. On se souvient que cette réso-



De haut en bas : le docteur SZE,
représentant de Tchang Kai Shek ;
YOSHIZAWA, représentant du Japon,
et BRIAND

lution laissait toute latitude au Japon de poursuivre son occupation de la Mandchourie. Les termes en étaient : « Le gouvernement japonais s'engage à poursuivre le retrait de ses troupes, *dans la mesure* où la sécurité de ses ressortissants et de leurs biens sera assurée. »

Le 30 septembre le retrait des troupes était préconisé pour le 10 octobre... Depuis l'avance s'est poursuivie. Tsitsikar a été prise. Kharbine est menacée. Plus au nord, les déplacements de troupes se poursuivent vers la frontière soviétique. Au sud, la menace de l'occupation de King-Tchéou reste constante.

De l'imprécision des termes de la résolution se dégage l'idée de la non-évacuation des troupes japonaises, au contraire, du renforcement de la position de l'impérialisme nippon en Mandchourie.

Tous ces jours derniers on avait longuement marchandé sur la question de la poursuite des « bandits » en Mandchourie et dans la Chine du Nord. Le Japon a obtenu qu'il ne soit pas dit un mot de cette question ni dans la résolution ni dans la déclaration de Briand. Les imperialistes de Tokio ne seront donc retenus par aucun texte — si tant est que les textes de la S. D. N. eussent pu contrecarrer leurs visées annexionnistes — et le terrain est libre devant eux pour une nouvelle avance de leurs troupes. D'ailleurs, une nouvelle annonçant l'occupation du port de Niou-Tchang, dans le golfe de Liao-Toung, laisse entrevoir comment les Japonais interpréteront la résolution de Paris. Déjà, hier 5 avions japonais ont survolé King-Tchéou, première reconnaissance avant l'attaque de la ville.

Dans le texte, ce document se réduit à des détails techniques, corroborés par la déclaration annexe, sur les tâches de la commission de cinq membres qui ira sur place préparer le dépècement de la Chine. Mais c'est là le point positif de la résolution : les puissances vont prendre officiellement une part active aux opérations de brigandage en Chine, et à ce propos les impérialistes siégeant au Conseil se sont empressés d'adopter le point de vue du Japon réclamant qu'à la commission soient impartis des pouvoirs très larges pour « l'étude de la situation en Chine ». Nous avons expliqué en détail le rôle de cet organisme impérialiste de dépècement de la Chine et de préparation de l'action commune des puissances contre la révolution chinoise.

Un paragraphe important du point 5 relatif à cette commission stipule :

Il est entendu que si les deux parties engageaient entre elle des négociations, la Commission n'aurait pas qualité pour intervenir ; il ne lui appartiendrait pas non plus d'intervenir dans les dispositions d'ordre militaire de l'une ou l'autre des parties.

Ainsi donc, satisfaction est donnée sur toute la ligne à l'Empire du Soleil Levant. De la fameuse « zone interdite » il n'en est plus question : les troupes japonaises pourront y pénétrer et y porter le pillage et la mort, sous prétexte de poursuivre les « bandits » et de ménager la sécurité des ressortissants japonais ».

Et ce « résultat » a été obtenu sous la direction de l'impérialisme français. C'est à ce résultat, la légalisation des conquêtes japonaises, que le journal de M. Blum, en provoquant à la guerre contre l'U. R. S. S., voulait que Briand et le Conseil arrivassent le plus rapidement possible.

La fin de la session du Conseil de la S. D. N. marque une nouvelle étape dans l'exécution des plans contre-révolutionnaires et antisoviétiques des puissances et avant tout de l'impérialisme français. Mais aussi, cette session fut dominée par le heurt des antagonismes impérialistes en face de la proie que constitue le marché chinois. Nous l'avons montré ces jours derniers.

A ce sujet, le rôle ignoble joué par le Kuomintang est à souligner.

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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

Lorsque la zone d'influence américaine était menacée, Tchang Kai Chek s'amusait à prononcer des discours intransigeants ; il voulait même se rendre en Mandchourie pour y « combattre » les Japonais. Or, cette manœuvre était destinée à tromper les masses chinoises sur les véritables intentions du gouvernement du Kuomintang, comme la fausse démission de Koo et Szé.

En réalité, ce gouvernement a joué le rôle qui lui a été désigné par les impérialistes. La Commission d'enquête, dont la tâche est d'exécuter sur place le dépècement de la Chine, est non seulement acceptée par le Kuomintang, mais reconnue et appuyée par lui. Les succès de l'armée rouge chinoise font trembler les bourreaux de Nankin et de Canton qui veulent être maintenus à leurs postes de valets par les Etats impérialistes, en échange des services rendus pour le partage de la Chine.

D'autre part, malgré les contradictions qui les opposent, les impérialistes sont constamment à la recherche des voies et moyens susceptibles de constituer le front de combat contre l'U. R. S. S. et les Soviets chinois. L'impérialisme français joue ici le rôle principal.

La résolution de Paris est un témoignage de cette recherche du compromis qui doit sceller le front uni impérialiste en permettant de faire de la Chine la base de l'agression antisoviétique à l'Est.

Le danger pour l'Union Soviétique persiste donc, s'aggrave même chaque jour. C'est pourquoi ce serait une grave faute d'affaiblir notre lutte contre l'impérialisme français, contre la guerre impérialiste, pour la défense de l'U. R. S. S., pour la paix.

M. MAGNIEN.

Enclosure No. 5 to Despatch No. 2086
of December 15, 1931.
From the Embassy at Paris.

Extract from LE JOURNAL, December 10, 1931.

LE CONFLIT DE MANDCHOURIE sera-t-il enfin réglé cet après-midi?

Journal

12/10

M. Yoshizawa n'a pu apporter hier au conseil de la S.D.N.
l'acquiescement définitif du gouvernement de Tokio
au projet de résolution et à la déclaration présidentielle

Les scénarios les mieux combinés réservent des surprises. Les imprésarios de la Société des nations s'étaient flattés d'en finir hier en faisant enregistrer une résolution votée à l'unanimité — condition indispensable pour avoir valeur légale — et une déclaration du président ayant valeur interprétative. Toutes les questions scabreuses avaient été soit enterrées purement et simplement, comme le projet de zone neutre de Tchén-Tchéou, soit reléguées dans la déclaration présidentielle, comme le passage sur les rapports de la commission d'études et sur la répression du brigandage.

On avait compté sans un scrupule du Japon qui tient absolument à ce qu'aucune équivoque ne se glisse dans la reconnaissance de son droit de réprimer les bandits organisés. L'exercice de ce droit, c'est, en effet, toute l'affaire de Mandchourie. On l'a bien vu depuis le 18 septembre.

Hier matin, la délégation japonaise faisait savoir qu'elle n'avait pas reçu d'instruction sur ce point et qu'il serait préférable d'ajourner la séance publique. On a préféré tenir hier une séance publique qui s'est trouvée limitée à la présentation du projet de résolution et d'une déclaration présidentielle amputée du passage sur le brigandage, qui a été réservé.

Voici le projet de résolution :

Le Conseil :

1° Réaffirme sa résolution adoptée à l'unanimité le 30 septembre 1931, et par laquelle les deux parties se déclarent solennellement liées. Il demande, en conséquence, aux gouvernements chinois et japonais de prendre toutes les mesures nécessaires pour en assurer l'exécution, de manière que le retrait des troupes japonaises dans la zone du chemin de fer puisse s'effectuer le plus rapidement possible, dans les conditions énoncées dans ladite résolution ;

2° Considérant que, depuis sa réunion du 24 octobre, les événements se sont encore aggravés,

Prend acte de l'engagement des deux parties de prendre toutes les mesures nécessaires pour éviter toute nouvelle aggravation de la situation et de s'abstenir de toute initiative pouvant entraîner de nouvelles rencontres et de nouvelles pertes de vies humaines ;

3° Invite les deux parties à continuer de tenir le conseil au courant de l'évolution de la situation ;

4° Invite les autres membres du conseil à fournir à celui-ci les informations qu'ils recevront de leurs représentants sur place ;

5° Sans préjudice de l'exécution des mesures ci-dessus visées.

Désirant, vu les circonstances spéciales de l'affaire, aider les deux gouver-



M. YOSHIZAWA

nements à résoudre définitivement au fond les questions pendantes entre eux.

Décide de nommer une commission de cinq membres chargée de procéder à une étude sur place et de lui faire rapport sur toute circonstance qui, de nature à affecter les relations internationales, menace de troubler la paix entre la Chine et le Japon ou la bonne entente entre les deux pays, dont la paix dépend.

Les gouvernements de la Chine et du Japon auront, chacun, le droit de se faire représenter auprès de ladite commission par un assesseur.

Les deux gouvernements donneront à la commission toutes facilités pour obtenir sur place toutes les informations qu'elle pourra désirer.

Il est entendu que si les deux parties engageaient entre elles des négociations, la commission n'aurait pas qualité pour y intervenir ; il ne lui appartiendrait pas non plus d'intervenir dans les dispositions d'ordre militaire de l'une ou de l'autre partie.

La constitution ou les travaux de la commission ne préjudicieront pas au retrait des troupes japonaises à l'intérieur de la zone du chemin de fer que le gouvernement du Japon s'est engagé à effectuer, conformément à la résolution du 30 septembre.

6° D'ici à sa prochaine session ordinaire, qui aura lieu le 25 janvier 1932, le conseil, qui reste saisi de la question, charge son président de suivre celle-ci et de le convoquer à nouveau, dans le cas où il l'estimerait nécessaire.

La déclaration présidentielle

Le projet de déclaration présidentielle a été imaginé, on le sait, pour permettre d'ajouter quelques précisions qui ne pourraient réaliser l'unanimité et qui ont des chances de ne pas soulever de protestations directes. A cette fin, la déclaration a pris la forme d'un bref préambule et d'un commentaire des principaux paragraphes de la résolution.

Le préambule commence par limiter très prudemment la tâche de la Société des nations à deux objets : mettre fin à un état de choses qui constitue une menace contre la paix, faciliter le règlement des causes de troubles entre la Chine et le Japon.

Ainsi, dès le début, on admet implicitement que le règlement des litiges regarde les deux pays intéressés. La Société des nations ne joue que le rôle d'observatrice et de conseillère. Ce sera le caractère de la commission d'études.

Dans le commentaire du 1^{er} paragraphe de la résolution on retrouve la phrase qui figurait primitivement dans la résolution et en a été écartée à la demande du Japon : « Le conseil *attache la plus grande importance* à l'exécution complète des engagements de la résolution du 30 septembre ».

Le commentaire du paragraphe 2 souligne la cruelle ironie d'un texte qui commence par reconnaître que, malgré toutes les interventions précédentes de la Société des nations, la situation s'est aggravée et qu'on ne trouve pas d'autre remède qu'une recommandation d'éviter de nouveaux combats et toute action susceptible d'envenimer la situation.

C'est ici que devait figurer la phrase constatant qu'en raison de la situation exceptionnelle en Mandchourie, la répression du brigandage organisé est une application du droit de légitime défense, mais en ajoutant que cette situation ne peut constituer un précédent parce qu'elle est déterminée exclusivement par la situation anormale de la Mandchourie et qu'elle doit prendre fin avec elle.

On comprend très bien ce que les Japonais trouvent à objecter à une formule de ce genre. On semble considérer que le cas exceptionnel de brigandage résulte de la situation anormale actuelle, alors qu'il est, en réalité, l'état normal de la Mandchourie. Pour une satisfaction présente, les Japonais n'entendent pas compromettre l'avenir.

Le commentaire du paragraphe 4 est, en somme, une introduction à la commission d'études. Il a été imaginé tout entier pour arriver à dire que les puissances membres du conseil se tiendront en contact avec le Japon et la Chine pour leur faire savoir les localités où elles souhaiteraient voir la commission d'examen opérer. C'est une formule extrêmement vague, qui peut ouvrir la voie à des extensions indéfinies de la commission.

Il est vrai que le commentaire du paragraphe 5 accentue encore le caractère

spéculatif des pouvoirs de la commission. Déjà, dans la résolution comme dans le fameux monologue de Figaro, la commission, après avoir reçu théoriquement le pouvoir de s'occuper de tout « ce qui est de nature à affecter les relations internationales ou menace de troubler la paix entre la Chine et le Japon », se voit interdire toute intervention dans les négociations éventuelles pour régler les litiges ou dans les dispositions d'ordre militaire. La diplomatie et les opérations militaires étant écartées, il lui reste simplement l'information, et encore « à titre purement consultatif », ajoute la déclaration présidentielle.

Le rapport qu'elle devra envoyer dès son entrée en fonctions ne sera présenté que si, à ce moment, les engagements pris par les deux parties, aux termes de la résolution du 30 septembre, n'ont pas été exécutés. Qu'est-ce que cela peut bien vouloir dire si l'on admet qu'à l'heure actuelle la Chine et le Japon se trouvent dans le cadre des engagements du 30 septembre ? Or, si tel n'était pas le cas, on devrait constater la violation des engagements.

Après la lecture de la déclaration présidentielle, M. Yoshizawa a fait une très brève déclaration constatant qu'il n'avait pas reçu de son gouvernement des instructions lui permettant d'accepter telle quelle la déclaration présidentielle. Il a demandé un ajournement de la séance à vingt-quatre heures, en se réservant d'apporter une déclaration. M. Briand a dit qu'il pourrait avoir, lui aussi, d'autres commentaires à présenter. Qu'est-ce que cela signifie ?

Cela veut dire que d'ici la séance de cet après-midi, plusieurs hypothèses peuvent se présenter. On espère encore que les instructions de Tokio, arrivées hier soir, permettront de trouver une formule sur la répression du brigandage susceptible d'être mise dans la bouche du président du conseil — ce qui serait de beaucoup, la meilleure solution. Si on n'y arrive pas, on peut reprendre une formule préparée par le ministre des affaires étrangères, le baron Shidehara lui-même, pour être mise dans la bouche du délégué du Japon.

La grande difficulté si la déclaration devait être faite par M. Yoshizawa, serait d'éviter les répliques de la Chine et des autres puissances qui engendreraient la confusion.

La séance avait débuté par l'oraison funèbre de M. Salandra, prononcée par M. Briand, suivie de l'éloge de M. Loucheur par M. Fotitch, délégué de la Yougoslavie.

On adopta ensuite, sans débat, le rapport de M. Fotitch sur la délimitation des frontières entre la Syrie et l'Irak. Ce rapport conclut à l'envoi sur place d'une commission d'études de trois membres qui, sur la demande de M. Briand, seront désignés par le président précédent, M. Lerroux.

matin 10

Enclosure No. 6 to Despatch No. 2086
of December 15, 1931.
From the Embassy at Paris.

Extract from LE MATIN, December 10, 1931.

Le conflit sino-japonais

M. Briand a donné lecture, hier, du projet de résolution
et de la déclaration qui la commente

A la demande de Tokio, c'est, finalement, M. Yoshizawa, qui, dans une déclaration personnelle, et, après entente avec le conseil, donnera connaissance de la formule relative aux mesures de police que les autorités nippones en Mandchourie seraient éventuellement amenées à prendre contre les bandits chinois. Cette formule n'étant pas encore au point, M. Briand et ses collègues, réunis, hier après-midi, en séance publique, ont dû ajourner la suite et la fin du débat à cet après-midi.

Au cours de la réunion d'hier, M. Briand a lu successivement le projet de résolution et la déclaration qui sert de commentaire à la résolution elle-même. Ces deux textes sont acceptés, on le sait, par le conseil, la Chine et le Japon.

Le projet de résolution est ainsi conçu :

Le conseil :

I. — Réaffirme sa résolution, adoptée à l'unanimité, le 30 septembre 1931, et par laquelle les deux parties se déclarent solennellement liées. Il demande en conséquence aux gouvernements chinois et japonais de prendre toutes les mesures nécessaires pour en assurer l'exécution de manière que le trafic des troupes japonaises dans la zone du chemin de fer puisse s'effectuer le plus rapidement possible dans les conditions énoncées dans ladite résolution.

II. — Considérant que depuis sa réunion du 24 octobre, les événements se sont encore aggravés :

Prend acte de l'engagement des deux parties de prendre toutes les mesures nécessaires pour éviter toute nouvelle aggravation de la situation et de s'abstenir de toute initiative pouvant entraîner de nouvelles rencontres et de nouvelles pertes de vies humaines ;

III. — Invite les deux parties à continuer de tenir le conseil au courant de l'évolution de la situation ;

IV. — Invite les autres membres du conseil à fournir à celui-ci les informations qu'ils recevront de leurs représentants sur place ;

V. — Sans préjudice de l'exécution des mesures ci-dessus visées ; désirant, vu les circonstances spéciales de l'affaire, aider les deux gouvernements à résoudre définitivement au fond, les questions pendantes entre eux ;

Décide de nommer une commission de cinq membres, chargée de procéder à une étude sur place et de lui faire rapport sur toute circonstance qui, de nature à affecter les relations internationales, menacent de troubler la paix entre la Chine et le Japon, ou la bonne entente entre les deux pays, dont la paix dépend ;

Les gouvernements de la Chine et du Japon auront chacun le droit de se faire représenter auprès de ladite commission par un assesseur ;

Les deux gouvernements donneront à la commission toutes facilités pour obtenir sur place toutes les informations qu'elle pourra désirer ;

Il est entendu que si les deux parties engagent entre elles des négociations, la commission n'aurait pas qualité pour y intervenir. Il ne lui appartiendrait pas non plus d'intervenir dans les dispositions d'ordre militaire de l'une ou de l'autre partie.

La constitution ou les travaux de la commission ne préjudicieront pas au retrait des troupes japonaises à l'intérieur de la zone du chemin de fer, que le gouvernement du Japon s'est engagé à effectuer, conformément à la résolution du 30 septembre.

VI. — D'ici à sa prochaine session qui aura lieu le 25 janvier 1932, le conseil, qui reste saisi de la question, charge son président de suivre celle-ci et de le convoquer à nouveau dans le cas où il l'estimerait nécessaire.

Paragraphe par paragraphe, la déclaration présidentielle revient sur les termes de la résolution en les expliquant et souvent en les renforçant. De ce document, nous ne retiendrons que ces deux passages :

« Les puissances qui ont la possibilité d'envoyer des représentants en Mandchourie sont donc convenues de mettre tout en œuvre pour continuer à appliquer et pour améliorer le système actuellement en vigueur.

A cette fin, lesdites puissances resteront en contact avec les deux parties, de sorte que celles-ci puissent, si elles le désirent, leur faire savoir quelles sont les localités dans lesquelles elles souhaiteraient que les représentants fussent envoyés.

« Pouvoirs de la commission d'étude. — Les gouvernements chinois et japonais auront le droit de proposer à la commission toute question qu'ils désireront particulièrement voir examiner par elle. La commission aura toute latitude pour déterminer quelles seront les questions au sujet desquelles elle fera rapport au conseil ; elle sera également libre d'envoyer à celui-ci, toute les fois qu'elle le jugera utile, des rapports sur des points spéciaux.

« Si les engagements que les deux parties ont pris aux termes de la résolution du 30 septembre n'ont pas été exécutés au moment de l'arrivée de la commission, celle-ci devra adresser au conseil un rapport sur la situation aussi rapidement que possible. (Allusion à l'évacuation du territoire chinois)

« La commission aura pleine et entière liberté de mouvements pour se procurer les renseignements dont elle pourra avoir besoin en vue de ses rapports.

« Le projet et la déclaration sont donc entièrement conformes aux analyses que nous en avons déjà données et aux commentaires que nous avons faits à leur sujet.

Enclosure No. 7 to Despatch No. 2086
of December 15, 1931.
From the Embassy at Paris.

Extract from L'OEUVRE, December 10, 1931.

LE CONFLIT SINO-JAPONAIS

Le projet de résolution et le prestige de la Société des Nations

Hier, à 17 heures, le Conseil de la Société des Nations, réuni en séance publique, a, par la bouche de M. Briand, fait connaître le projet de résolution qu'il soumet au Japon et à la Chine en vue non pas du règlement — ce serait trop dire — mais de la préparation du règlement de leur différend en Mandchourie.

Le fait seul que cette séance publique ait eu lieu est émouvant. On l'avait tant espérée, tant attendue ! Elle représentait le difficile aboutissement de pourparlers qui durèrent quatre semaines, enchevêtrement de subtilités diplomatiques, de pressions politiques, de surprises militaires.

Le Conseil de la Société des Nations aura été un grand « patient » !

Un certain froid a été jeté par la déclaration du délégué du Japon. N'ayant pas encore reçu les dernières instructions de son gouvernement, il ne pouvait signer le projet de résolution. La séance en a été coupée court. Mais elle sera reprise aujourd'hui à 16 heures 30.

Le délégué chinois n'a rien dit. Il s'est contenté de demander que le texte du projet, lu d'abord en français par M. Briand, lui fut traduit en anglais par l'interprète. Il a tenu à cette traduction orale, et il l'a suivie sur le texte écrit au ronéo, placé devant lui, méticuleusement, la tête dans les mains.

Ce projet de résolution comprend six paragraphes, tout juste deux feuilles à la machine. Le premier paragraphe rappelle l'engagement pris par les deux parties, le 30 septembre 1931, de dégager, le plus tôt possible, la zone contestée.

A cet engagement, le deuxième paragraphe en ajoute un second, par lequel, devant l'aggravation des événements, les deux parties ont réitéré leur décision.

Cela fait donc deux engagements, presque deux serments.

Les paragraphes 3 et 4 déterminent tout le jeu que le Conseil entend laisser à son arbitrage, dans une entière confiance, dans une bonne volonté mise affablement en commun. Que les parties continuent de tenir le Conseil au courant de l'évolution de la situation (par. 3). — Que les autres membres du Conseil continuent à faire bénéficier celui-ci de tous les renseignements qu'ils pourront, chacun de son côté, se procurer (par. 4).

Vient, au paragraphe 5, la prévision d'une commission de cinq membres qui sera chargée, par le Conseil, de « procéder à une étude sur place ». Cette commission aura deux assesseurs : un chinois et un japonais.

Le paragraphe 6 est de pure forme.

Puis (sur deux autres feuilles à part) chacun de ces paragraphes est renforcé par un commentaire du Président. Souhaits. Conviction que tout sera fait, que la parole sera tenue.

Un froncement de sourcils au paragraphe 2, à cause des inquiétudes légitimes que la situation suscite.

Mais, aussitôt, le commentaire au paragraphe 4 s'étend sur le bienfait que donnent l'information, l'enquête soigneusement partagées par tous les membres du Conseil.

Voilà ! Pas davantage.

Je vois des gens sourire.

Qu'attendaient-ils ? De grands mots, de grandes réprimandes ?

C'est précisément la simplicité, la bonhomie de ces deux documents qui est belle. C'est à elle que l'on doit s'attacher avec respect.

En elle-même, déjà, la teneur de ces six petits alinéas retient. A dessein réduite au strict indispensable, elle met en valeur objectivement

Mais si, dans le conflit sino-japonais à l'origine il n'y avait que deux parties, n'oublions pas que, depuis quatre semaines, il y en a trois. Et la troisième, c'est la Société des Nations elle-même.

Combien ont cru que les Chinois et Japonais la tueraient ! Combien l'ont désiré et le désirent encore !

Sans vouloir en rien forcer l'aspect de son influence, à cette occasion, en gardant à son intervention difficile la mesure qu'elle ne pouvait pas dépasser, ne peut-on pas dire qu'elle a sauvé ses principes, conservé sa croyance paisible en ses ressources de persuasion, qu'elle les a, malgré tout, proclamées et utilisées et qu'il en est résulté — que dire ? — un effort de confrontation, un suspens de passions, qui ont tout de même eu un écho lâbas, sous la loi des armes, événement que certes l'histoire n'avait jamais, jusqu'ici, enregistré en ces parages.

HENRI HERTZ.

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En elle-même, cette la tenture de
ces six petits tableaux retient. A des-
sein redoublé au strict indispensable,
elle met en valeur objectivement
deux choses existantes, acquies-
sant le gain d'engagement d'ici, l'effi-
cacité des recherches faites, sans
sotie, hors du Conseil, par le
bon vouloir de chaque nation.
Si l'on songe, cependant, que
c'est pour arriver à ces plus
vieux compléments, à ces plus
filles d'extrême-orient, que le Con-
seil est arrivé à extraire et à extra-
limiter ces deux ou trois terribles
des, n'est-ce pas un miracle?
Un sentiment, certes, la sent de
la paix, au milieu d'un terrible tra-
cas de contradictions et de défis,
voilà ce dont ces quatre pages qui
vont courir le monde portent l'im-
pression.
Il se peut que, par conséquent, ces
incidents créent la surprise que le
Conseil a voulu créer. Il aura tout
de même dessein de faire que ces
choses les moines de la paix, qui
n'est qu'un papier, l'agit et l'agit
comme le papier de riz qui porte
une crue estampe.

Enclosure No. 8 to Despatch No. 2086
of December 15, 1931.
From the Embassy at Paris.

Extract from LE PETIT PARISIEN, December 10, 1931.

LE CONFLIT SINO-JAPONAIS

Le conseil de la S. D. N. clôture ses travaux

Au cours de la séance publique tenue hier, M. Briand a donné lecture de la résolution et de la déclaration présidentielle auxquelles Chine et Japon doivent souscrire aujourd'hui

Le conseil de la Société des nations a tenu, hier après-midi, sous la présidence de M. Briand, dans le salon de l'Horloge du Quai d'Orsay, la troisième séance publique de sa session actuelle, en vue de terminer ses longs travaux sur le conflit sino-japonais. On espérait que cette séance serait la dernière, mais la clôture n'a pu être prononcée, le délégué du Japon n'ayant pas reçu en temps voulu les instructions définitives de son gouvernement.

La réunion a débuté par un éloge de M. Salandra, le grand homme d'Etat italien décédé hier, qui fut un excellent artisan de la Société. Au nom de tous ses collègues, M. Briand pria M. Scialoja, représentant de l'Italie, de se faire l'interprète de la sympathie émue du conseil.

La frontière entre Syrie et Irak

Le conseil salua également la mémoire de M. Louis Loucheur comme on le lira d'autre part. Puis M. Fotitch, rapporteur de la question de la délimitation de la frontière entre la Syrie et l'Irak, proposa au conseil de procéder à la désignation de la commission d'enquête qui se rendra sur place à cet effet. Cette commission sera composée de trois membres neutres auxquels seront adjoints quatre assesseurs, deux nommés par le gouvernement britannique et les deux autres par le gouvernement français. Les conclusions du rapport de M. Fotitch furent approuvées par le conseil à l'unanimité, et lord Cecil exprima sa satisfaction.

La résolution du Conseil

Passant au principal objet de la réunion, M. Briand donna alors lecture du projet de résolution relatif au différend sino-japonais et qui, on le sait, est le fruit de laborieuses et délicates négociations. Les lecteurs du *Petit Parisien* ont suivi jour par jour la genèse de cette résolution qui réaffirme les décisions prises le 30 septembre dernier, demande aux gouvernements chinois et japonais de « prendre toutes les mesures nécessaires pour en assurer l'exécution, de manière que le retrait des troupes japonaises dans la zone du chemin de fer puisse s'effectuer le plus rapidement possible », et prend acte de l'engagement des deux parties de « s'abstenir de toute initiative devant entraîner de nouvelles rencontres et de nouvelles pertes de vies humaines ».

Désirant, vu les circonstances spéciales de l'affaire, aider les deux gouvernements à résoudre définitivement, au fond, les questions pendantes entre eux, le conseil décide de nommer une commission de cinq membres chargée de procéder à une étude sur place et de lui faire rapport sur toutes circonstances qui, de nature à affecter les relations internationales, menacent de troubler la paix entre la Chine et le Japon, ou la bonne entente entre les deux pays, dont la paix dépend.

La résolution spécifie encore que « si les deux parties engageaient entre elles des négociations, la commission n'aurait pas qualité pour y intervenir; il ne lui appartiendrait pas non plus d'intervenir dans les dispositions d'ordre militaire de l'une ou de l'autre partie.

D'ici à sa prochaine session, qui s'ouvrira le 25 janvier, le conseil charge en outre son président de suivre l'affaire et de le convoquer à nouveau dans le cas où il l'estimerait nécessaire.

Une déclaration de M. Briand

M. Briand fit ensuite une déclaration qui éclaira le sens des décisions prises. Il insista notamment sur le fait que le conseil attache la plus grande importance à l'exécution des engagements du 30 septembre et précisa les pouvoirs de la commission d'enquête qui doit se rendre en Mandchourie. Dans les limites de son caractère consultatif, cette commission aura le mandat le plus large et disposera d'une pleine liberté de mouvements pour se procurer les renseignements dont elle pourra avoir besoin en vue de ses rapports au conseil.

Les dernières difficultés

Ces deux lectures étant terminées, M. Yoshizawa déclara qu'il n'avait pas encore reçu les dernières instructions du gouvernement nippon et demanda le renvoi du débat à cet après-midi, ce qui lui fut aussitôt aimablement accordé.

Nous croyons savoir que lesdites instructions sont parvenues peu après la séance au siège de la délégation japonaise. Elles concernent exclusivement le point relatif à la répression des bandits. Le baron Shidehara insiste pour l'adoption de la formule qu'il a élaborée à ce sujet et qui diffère de celle envisagée par le conseil. Dans la soirée, d'actifs échanges de vues franco-japonais se sont poursuivis à ce propos tant à Tokio qu'à Paris. On s'est efforcé de mettre les deux formules d'accord, et c'est à cela que s'emploieront encore les délégations au cours des heures qui s'écouleront avant la séance finale. Au cas où un accord complet sur ce point de détail se révélerait impossible, on pense que le Japon pourrait exprimer ses vues sur la répression du banditisme en une déclaration spéciale et que la clôture des travaux du conseil n'en serait pas pour cela retardée.

Lucien BOURGUES

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From the Embassy at Paris.

Dec. 10

La Mandchourie sous la botte du Japon!

Manifeste de l'Association des Étudiants Chinois à Strasbourg.

Depuis trois mois, le monde entier a les yeux fixés sur les graves événements qui se déroulent en Mandchourie où les deux grandes puissances asiatiques, le Japon et la Chine se dressent en face l'une de l'autre, l'une pour dominer et conquérir, l'autre pour défendre son territoire envahi et ses droits outragés.

Nous, étudiants chinois à Strasbourg, estimons qu'il est de notre devoir et aussi de notre droit d'exposer à l'opinion publique française la cause véritable de ce conflit armé pour démasquer les manœuvres tendancieuses du fauteur de guerre qu'est le gouvernement impérialiste de Tokio.

La Mandchourie, située au nord de Peiping, d'une superficie double de celle de la France, très fertile, au climat favorable, excite depuis longtemps les convoitises du Japon. Pourquoi a-t-il attendu jusqu'à présent pour démasquer son vrai visage de conquérant? Uniquement par crainte de l'intervention d'autres puissances qui ont engagé également là-bas des capitaux considérables. Un passage d'une pétition adressée au Mikado par le Baron Tanaka, ex-premier ministre du Japon, vous fixera sur la cause véridique de l'attitude guerrière du Japon en Mandchourie, tactique de l'exécution d'un plan, savamment élaboré de longue date, voici ce passage :

« Pour conquérir le monde, il faut d'abord conquérir la Chine, et pour conquérir la Chine, il faut d'abord conquérir la Mandchourie ».

L'heure propice a enfin sonné. La Chine, ruinée par de terribles inondations et des sécheresses persistantes, concentrait tous ses efforts en vue de secourir ses millions de victimes ; les autres puissances frappées par une crise économique profonde étaient absorbées par leur situation intérieure. Le gouvernement japonais profitait aussitôt **lâchement** de cette circonstance, particulièrement favorable à une aventure militaire pour commencer son entreprise de **conquête** en foulant aux pieds tous les droits les plus sacrés.

Mais, pour la réussite de ce plan, il fallait agir avec ruse et circonspection afin de ne pas s'attirer le mépris de l'opinion mondiale et se réserver les apparences du

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droit et de la justice. Le Japon, très expert en ce genre de manœuvres fourbes et hypocrites, va provoquer la Chine par une **série d'offenses** dans l'espoir de soulever son indignation patriotique et de lui laisser la responsabilité de la déclaration de cette guerre qu'il a si bien préparée dans l'ombre et qui doit lui valoir, d'après ses calculs ambitieux, la **possession de cette riche Mandchourie**, terre promise et avidement convoitée. Le Japon commence donc ses provocations outrageantes envers la Chine : le 2 juin dernier, une attaque armée contre le poste de police de Tien-Tsin ; le 14 juillet, sans provocation aucune, des soldats de garnison japonais à Hwang-Te-Kou tirent sur des passants, et, enfin, un peu antérieurement, le 3 juillet, le grand massacre des résidents chinois en Corée dont le nombre de victimes s'élève à plusieurs milliers sans parler des dommages matériels.

Pacifique et prudente, la Chine se refuse à opposer la violence à la violence, elle veut respecter les traités de paix où elle a apposé sa signature.

Furieux de voir que la Chine ne tombe pas dans son piège, d'un seul coup, le Japon jette à bas son masque de nation civilisée et montre la férocité de son geste. Le **18 septembre** au soir, dans la nuit profonde, lors que tous les habitants sont encore plongés paisiblement dans le sommeil, des troupes japonaises, sans aucune déclaration préalable de guerre, par surprise,

bombardent et occupent militairement Moukden,

à la stupéfaction du monde entier. Elles saisissent les fonds des banques chinoises, tuent à leur gré civils et officiers restant sans résistance, emprisonnent le président du gouvernement provincial et le recteur Fon de l'Université Fon Yung, enfin, geste abominable, une

vingtaine d'étudiants sont fusillés pour leur sentiment patriotique.

En un mot, des actes que ne tolérerait pas le droit international, même si l'état de guerre était proclamé, sont commis avec une férocité dépassant toute imagination.

Dans son ardent désir de la paix, le gouvernement chinois s'abstient encore une fois de se défendre par la force, bien légitime cependant en ce cas. Etant membre de la S. D. N., respectueux de sa signature du Pacte Briand-Kellog, il soumet cette **agression barbare** au jugement du monde entier en faisant appel à la S. D. N.

Nouvelle duplicité du gouvernement japonais qui cherche à excuser son invasion militaire en invoquant la sécurité menacée de ses ressortissants et la non-observation des traités de la part de la Chine. Quelle calomnie ! Quels mensonges !

Peuple français, en faisant appel à votre amour de la paix et de la justice, permettez-nous de vous répondre que la Chine n'a jamais négligé la protection de ses hôtes et de leurs biens. A cet égard, elle n'a jamais failli à son devoir, même dans les moments

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les plus difficiles de sa révolution. La preuve la plus éclatante, c'est que malgré la vive oppression du Japon et l'excitation bien compréhensible de la population chinoise, les résidents japonais, sauf dans les régions occupées, n'ont jamais été l'objet de violences. Quant à l'accusation prétendue du massacre d'un état-major japonais, le gouvernement nippon n'a jamais pu fournir des précisions, et l'enquête menée par les autorités chinoises a révélé que l'existence de ce prétendu état-major est **bien discutable**, attendu qu'aucun consulat chinois au Japon n'a jamais visé un passeport au nom de cet officier.

En ce qui concerne la non-observation des traités, ce grief est également dénué de tout fondement. La Chine s'inspire dans tous ses actes du respect des accords ou traités internationaux signés en toute liberté et ratifiés par les constitutions légales. Peut-être fait-il allusion aux **21 points** que la Chine a été **contrainte de signer** sous la menace des canons le 7 mai 1915. Mais ce traité n'a jamais été ratifié par le parlement, il n'est donc pas valable d'après la constitution, par suite, le peuple chinois n'a aucune obligation envers ce traité et ne l'observera jamais. Du reste, le Japon, n'a-t-il pas retiré lui-même ses prétentions injustifiées en renonçant à imposer les 5 points fondamentaux qui lui étaient si chers ?

La lumière éclatante de la vérité devrait fixer les puissances étrangères sur l'attitude du Japon et sa **mauvaise fois** vis-à-vis de la S. D. N. Voici la preuve édifiante de sa politique de **duplicité** et d'**hypocrisie** ? Que se passe-t-il en Mandchourie au moment où le représentant japonais affirme l'intention pacifique de son gouvernement ? Des troupes japonaises accentuent leur avance militaire sur le territoire chinois. Le 8 octobre des avions japonais bombardent la ville Tchén-Tchou, et dans les jours suivants des trains de voyageurs entre Tien-Tsin et Tchén-Tchou sont attaqués à plusieurs reprises par des forces aériennes, il y a une trentaine de tués et de nombreux blessés. Ensuite les dirigeants japonais saisissent la recette nationale chinoise, fournissent des munitions aux rebelles chinois et installent à la tête du gouvernement soi-disant indépendant une de leurs créatures à leur solde, ils arment des bandits pour troubler l'ordre et la paix des régions occupées et dans le voisinage de ces régions. De plus, des troupes japonaises sous prétexte de réparer les ponts sur la Nonni — réparations qu'elles n'ont pas le droit de faire — envahissent la province Hei-Lung-Kiang et occupent **Angangkî** et **Tsitsikar** qu'elles ont bombardés antérieurement.

Tandis que la terreur règne en Mandchourie, les résidents japonais dans les autres villes ne cessent de provoquer des troubles sanglants. Les autorités japonaises de la concession japonaise à Tien-Tsin abusant de leur situation ont permis aux perturbateurs de se grouper, de sortir de la concession japonaise et d'attaquer les bâtiments administratifs publics chinois ; dans la vallée du Yang-tze-Kiang, des marins japonais ont débarqué sans autorisation et se sont mêlés des affaires de la Chine.

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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

Enclosure No. 9 to Despatch No. 2086
of December 15, 1931.
From the Embassy at Paris.

D'après ce qui précède, il ressort clairement que l'invasion japonaise ne peut être considérée comme un acte **non prémédité**. Elle ne fut pas motivée par les circonstances, mais elle est la conséquence de la **politique traditionnelle du Japon**, préparée, conçue et réglée **de longue date**, pour satisfaire ses appétits de **conquête** et de **domination impérialiste**, en vue de **faire subir à la Mandchourie, le même sort qu'à la Corée**.

La Chine, victime de la plus injuste des agressions, se borne à demander

l'évacuation totale et immédiate de son territoire

occupé par les forces militaires japonaises, au mépris du droit imprescriptible des nations. Quoi de plus juste ? Est-ce là une exigence si difficile à satisfaire ? Mais le Japon fait la sourde oreille et sa **fourberie** veut **renverser les rôles**, lui, l'agresseur coupable, a l'audace de poser des conditions à cette évacuation,

conditions injustes et inacceptables pour la dignité du peuple chinois.

Mais hélas ! à l'heure où la Chine, consciente de la justice de sa cause met tout son espoir entre les membres de la S. D. N., la ténacité hypocrite du Japon habile à manier de faux arguments **ébranle les résistances de la S. D. N.** et **l'opinion étrangère s'égare** devant ces stratagèmes, incapables cependant de masquer la vérité simple et éclatante qui frappe la conscience de tout citoyen soucieux de défendre la paix du monde, sérieusement ébranlée par le militarisme le plus exécrationnel.

Peuple français, vous ne serez pas dupe de cette politique basée sur l'iniquité et le mensonge qui cache un but inavoué de conquête territoriale. Nous, étudiants chinois, nous faisons appel à votre conscience éclairée, à votre amour de la justice, à votre sentiment de l'honneur pour défendre les droits de la Chine outragée sur son territoire ! Soutenir notre cause, c'est lutter pour la paix mondiale, c'est montrer au militarisme impérialiste qu'en ce siècle de progrès et de civilisation, l'humanité libérée de ses chaînes ne permettra plus jamais que

« la force prime le droit » !

Strasbourg, le 10 décembre 1931.

Echo 11

Enclosure No. 10 to Despatch No. 2086
of December 15, 1931.
From the Embassy at Paris.

Extract from L'ECHO DE PARIS, December 11, 1931.

A la fin de la 25^e journée le Conseil est revenu sagement pour l'essentiel, à sa résolution du 30 septembre

Cette fois, la session du Conseil de la Société des Nations est terminée. Le Japon et la Chine se sont ralliés au projet de résolution qui, adopté à l'unanimité en séance publique, est, de ce fait, devenu une résolution du Conseil liant les parties.

Ce document n'a pu prévaloir que fortement amputé de sa substance originelle. Il n'est plus aujourd'hui qu'une sorte de paraphrase de la résolution du 30 septembre, assez inefficace, on le sait d'expérience.

Dans la déclaration lue mercredi et dans le discours écrit à l'avance qu'il y a ajouté hier, M. Briand s'est efforcé de sauver les apparences. La délégation japonaise, surveillant jalousement tous les termes dont il se servait, l'a empêché de rattraper ce qui avait été jeté par dessus bord.

Jusqu'au dernier moment, deux questions ont été âprement débattues : la date et les conditions de l'évacuation de la Mandchourie — tout ce qui n'est pas la zone du chemin de fer — par les Japonais ; le droit revendiqué par le Japon de prendre, en dehors de la zone du chemin de fer, contre les bandits et les éléments de désordre, toutes les mesures de police nécessaires. Le Japon menaçait de ne point adhérer au projet de résolution si ses demandes n'étaient pas admises.

Pour ce qui est du premier point, il s'agissait d'un passage ayant jadis figuré dans le projet de résolution et refoulé dans la déclaration de mercredi, d'un passage semblant impliquer que les troupes japonaises devraient, au jugement du conseil, être sorties de la Mandchourie au moment où la commission d'étude y arriverait. Les instructions de M. Yoshizawa lui ordonnaient d'obtenir un amendement. Hier matin, la requête de Tokio fut repoussée par M. Massigli au nom du comité de rédaction. Force fut donc à l'ambassadeur du Japon d'en appeler à M. Briand, une heure avant la séance. M. Briand promit enfin d'introduire dans son discours de clôture la rectification souhaitée : le conseil n'a pas fixé de date et les conditions de l'évacuation sont celles qui furent arrêtées le 30 septembre.

Quant au second point, il suscita moins de difficulté. Le comité des « Douze » membres du conseil s'est résigné assez aisément à laisser passer la réserve japonaise (affirmation du droit de police) dont il n'avait

pas voulu lundi dernier, qu'il avait voulu remplacer par une définition à lui, que Tokio rejeta promptement. Dans l'examen de cette question, les Douze membres du conseil n'ont eu qu'un souci : faire la part du feu, empêcher que ne fût créé un précédent dont quelque autre Etat pût ensuite se réclamer pour défendre un chemin de fer construit à ses frais en pays étranger, même en y expédiant des soldats. Ce précédent pourrait être, en effet, dangereux. Il est vrai qu'il n'existe nulle part dans le monde, croyons-nous, une voie ferrée comportant pour un Etat étranger le droit de garnison dans un périmètre déterminé. « Circonstances exceptionnelles », « situation spéciale de la Mandchourie » : telles furent les expressions employées par M. Briand, par lord Cecil (chargé particulièrement de donner acte au Japon de sa réserve, ce qui engageait moins fortement le conseil que si le président avait parlé), par M. Yoshizawa lui-même et surtout par les Sud-Américains, pour faire obstacle aux imitateurs de l'avenir. Voilà ce qu'il en coûte d'introduire dans la *Société des Nations* des pays inégaux comme la Chine ou le Panama, dont le traité avec les Etats-Unis fournit, lui aussi, un exemple périlleux.

Le Japon l'emporte sur toute la ligne. Mais la partie est-elle finie ? C'est peu probable. Le délégué de la Chine a formulé unilatéralement, sans qu'aucun membre du conseil l'ait soutenu de la moindre allusion, huit réserves propres à révolutionner de fond en comble non seulement la résolution elle-même mais aussi les traités en vigueur. Son but précis était de préparer une nouvelle demande de convocation du conseil. Soyons sûr qu'il la présentera à la première occasion. Il est secondé, dans cet effort, par quelques fonctionnaires du secrétariat qui, en Asie, rêvent de fonder sur l'anarchie chinoise, l'empire de la *Société des Nations*. Le conseil se laissera-t-il forcer la main ? A-t-il, compris la leçon ?

Dans cette vingt-cinquième journée, des traités assez bizarres ne manquèrent pas plus que dans les précédentes. On put voir à l'œuvre deux grands velléitaires. Lord Cecil si terriblement pro-chinois en octobre et jusqu'à ces derniers jours a fortement évolué vers le Japon. Ce matin, au comité des « Douze », ses collègues, ahuris, l'entendirent déclarer : « Ce que fait le Japon, tout autre Etat le ferait ! » De son côté, le général Dawes, si résolu depuis le début de la session à ne point s'asseoir à la table du conseil, fit soudainement annoncer qu'il y paraîtrait afin de déclarer à la Chine qu'elle devait entrer en pourparlers directs avec le Japon et d'établir, de concert avec lui, la zone neutre de Tchinn-

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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

Tchéou. Après avoir causé avec M. Briand, le général Dawes renonça à son idée. Pour être complet, il faudrait encore mettre en scène M. de Madariaga, l'ambassadeur très agité, dont le gouvernement espagnol veut nous gratifier. Mais nous gardons cette bonne bouteille pour une autre fête.

Si le Conseil, et surtout le secrétariat, avaient été sages et avisés, la résolution du 10 décembre eût été votée quinze jours plus tôt. Rien ne s'y trouve que le Japon n'eût concédé quand il proposa la commission d'études. Quinze jours employés à dissiper la mégalomanie ou l'illusion de cinq ou six hommes ! Voilà le plus clair du bilan.

PERTINAX.

Ere 11

Enclosure No. 11 to Despatch No. 2086
of December 15, 1931.
From the Embassy at Paris.

Extract from L'ERE NOUVELLE, December 11, 1931.

Enclosure
11
EDITORIAL

Quelque passion que les réactionnaires ait apportée hier pour obtenir la mise à l'ordre du jour de la Chambre, avant des problèmes vitaux pour le pays, de leur projet de réforme électorale, il est un événement qui domine tous les autres, parce qu'il met en jeu des intérêts infiniment plus graves que les intérêts électoraux de la droite, c'est celui qui s'est produit dans cette dernière réunion du Conseil de la S. D. N., où l'on a vu la résolution du président Aristide Briand recueillir l'unanimité des suffrages.

Oh! sans doute, nous entendons déjà les détracteurs de la S. D. N. exercer leur verve. Ravis s'ils avaient vu le Conseil se séparer sans prendre de résolution, ils dissimuleront leur désillusion en essayant de nier la valeur de cette résolution et des engagements qui l'accompagnent.

Examinons pourtant loyalement la situation. Nous l'avons déjà dit : en présence des informations contradictoires qui nous parvenaient de Mandchourie, en présence de cette psychologie orientale si différente de la nôtre, et qui ne s'embarrasse pas de maintes contradictions, nous avons depuis longtemps reconnu qu'il était impossible de voir qui, en l'occurrence, avait tort ou raison. Et nous avons bien l'impression que les membres du Conseil étaient dans le même état d'esprit.

Qu'un certain découragement se soit emparé de quelques-uns d'entre eux, c'est possible! Que plusieurs aient préféré aller rêver sur les bords de la Seine plutôt que de discuter dans le salon de l'Horloge! On le dit. Mais alors un homme s'est levé, et il a parlé avec ce sens politique profond, avec ce clair bon sens qui le caractérise : c'est Aristide Briand.

« Nous ne savons pas ce qui se passe en Extrême-Orient, a-t-il déclaré, c'est certain. Mais, dans de telles circonstances, il ne faut pas s'avouer battu. Il faut se renseigner. Nommons une commission qui étudiera sur place la situation, tandis que la Chine et le Japon prendront l'engagement de ne pas laisser s'aggraver le conflit! »

Certes, les deux héros du drame qui se joue là-bas, sur les bords du Pacifique, n'étaient peut-être pas fort enthousiastes à la pensée que des personnalités autorisées allaient aller examiner leurs affaires, et la proposition de M. Aristide Briand n'a pas été sans rencontrer de vives résistances.

Mais le bon sens avait parlé. Il a fallu s'incliner, et la thèse l'homme qui, en dépit des ironies, des sarcasmes, voire des injures, s'est attaché à sauver la paix en toute circonstance et en tous lieux a, une fois de plus, triomphé.

Ce n'est rien, cela?



FIG. 11

Enclosure No. 12 to Despatch No. 2086
of December 15, 1931.
From the Embassy at Paris.

Extract from FIGARO, December 11, 1931.

L'abnégation de M. Briand



Après vingt-quatre jours de délibérations sur le conflit sino-japonais, le Conseil de la S. D. N. se dispose à évacuer Paris sans avoir obtenu l'évacuation de Moukden par les troupes japonaises.

Au moment où cet aréopage se sépare, les véritables amis de la paix ont le devoir de lui exprimer leur profonde reconnaissance. Avec un héroïsme subtil et qui risque d'être incompris, ses membres, loin de céder à la tentation de montrer un vulgaire courage en partant pour la Mandchourie et en s'offrant en holocauste sur la ligne de feu, ont préféré braver le ridicule en administrant lumineusement la preuve de leur impuissance totale sur le point et à l'heure où c'était le plus nécessaire. Ils font la paix comme Napoléon faisait la guerre, en concentrant tous leurs moyens sur la position maîtresse de l'adversaire et en l'enlevant par surprise. Considérant que la paix est surtout menacée par les illusions répandues en France sur la meilleure façon de la garantir, ils se sont dévoués pour nous les enlever au moment où les fauteurs de guerre, c'est-à-dire les faux pacifistes, s'appliquaient à les fortifier en réunissant chez nous le Congrès du désarmement et en mobilisant toutes leurs réserves en vue de la Conférence du même nom.

Ce n'est pas sans raison que M. Briand et ses hôtes ont escompté les réflexions salutaires du public français en présence du spectacle qu'ils viennent de lui donner. Après trois mois d'efforts pour arrêter les hostilités, ils n'ont réussi qu'à aggraver la situation en Mandchourie où la Chine, au dire de tous ceux qui la connaissent et notamment de notre collaborateur le docteur Legendre, se serait depuis longtemps inclinée devant les justes revendications du Japon si la S. D. N. n'avait troublé leur tête-à-tête et inspiré sa résistance.

Tout l'Extrême-Orient ne s'est pas embrasé malgré le zèle des pompiers de Genève à propager l'incendie parce que le Japon n'avait entrepris qu'une action de police à objectif limité. Il n'a jamais songé à annexer la Chine ni même à faire le tour de la Grande Muraille pour l'investir. Si tel était son dessein, c'est par l'opiniâtreté des générations, non par des coups rapides et décisifs, qu'il aurait chance de l'accomplir. La Chine, monde invertébré, dépourvue de centres nerveux et d'articulations, plus comparable à un édreon qui reprend toujours sa forme qu'à un ressort susceptible d'être brisé, n'est pas un bon terrain pour une offensive foudroyante. Sur cet immense corps amorphe le *jiu-jitsu* japonais serait inopérant. Dans un pareil duel, le général Espace ne pourrait être vaincu que par le général Temps.

Au contraire, le pays qui depuis Tacite est l'objet des convoitises germaniques, est hyper-centralisé, a un cœur, une tête, des nerfs, et ses régions vitales sont les plus rapprochées de sa frontière la plus menacée. Trois mois, c'est beaucoup plus qu'il n'en faudrait à un Reich hitlérisé pour asservir une France complètement briandisée. Pendant que Genève-Byzance disputerait sur les conditions de la paix abstraite, la paix allemande régnerait sur les ruines fumantes et les charniers innombrables de notre beau pays, jardin du monde.

Pour nous imposer cette conclusion M. Briand n'a épargné ni les peines ni les sacrifices. Il s'est donné plus de mal pour prolonger le conflit sino-japonais qu'il n'en eût fallu autrefois, quand il n'y avait pas de S. D. N., pour l'arrêter. En 1895, le concert européen avait obligé le Japon à renoncer à certains avantages du Traité de Shimonosaki. En 1900, il avait défendu la cause de la civilisation en Chine contre les Boxers. En 1931, les nations réunies en société sont incapables d'en faire autant. M. Briand, qui les préside, nous a aliéné le Japon, sans satisfaire la Chine, le Japon dont le concours nous est nécessaire pour conserver l'Indochine et neutraliser les Soviets, le Japon, garantie de stabilité en Asie comme la France l'est en Europe, de sorte que les deux pays sont faits pour s'entendre comme on s'entend entre gendarmes.

Ces graves inconvénients de son action, M. Briand les aura certainement pesés. Mais ils lui ont paru négociables à côté de l'avantage qu'il y avait à rendre plus écatante la faillite de ses méthodes et plus évidente la nécessité de sauvegarder la paix par notre force et nos alliances.

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 by Milton O. Gustafson NARS Date 12-18-75

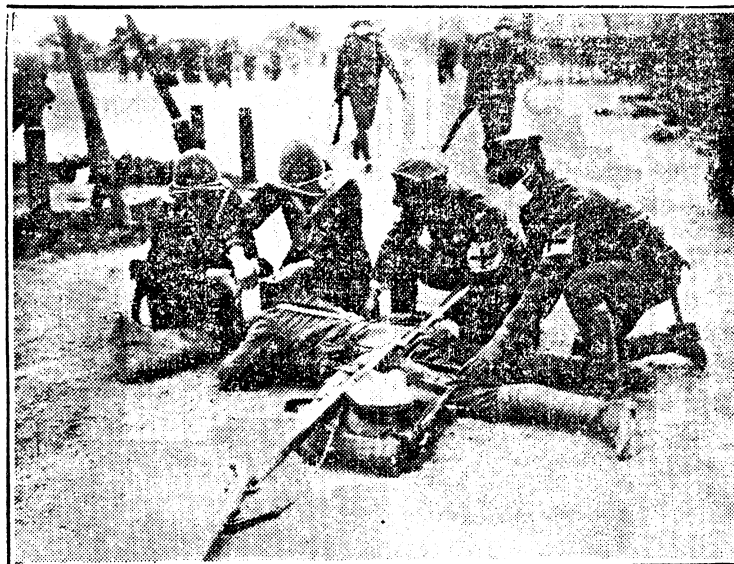
Enclosure No. 13 to Despatch No. 2086
 of December 15, 1931.
 From the Embassy at Paris.

Extract from L'HUMANITE, December 11, 1931.

Le Conseil de Paris a clos sa session

**C'EST AVEC L'APPUI OFFICIEL DE LA S. D. N.
 QUE LE JAPON POURSUIVRA DÉSORMAIS
 SON AGRESSION ANTISOVIÉTIQUE**

Renforçons notre lutte contre l'impérialisme français
 et contre le « pacifisme » des fauteurs de guerre



« Sans distinction d'âge, ni de sexe ... Ils ont aussi leur Paul-Boncour, au Japon. Ainsi que le montre notre cliché, même les fillettes sont entraînées à jouer un rôle dans la guerre. Celles-ci apprennent à panser les blessés

Hier, sur le coup de 17 h. 30, M. Briand a tiré le rideau.

La guerre continue en Extrême-Orient. Mais la session du Conseil expire après 25 jours de marchandages et d'intrigues.

Vingt-cinq jours ! Tous les records sont battus. Ces longues assises ont occasionné des dépenses énormes. Et le gouvernement français se propose de participer aux frais pour une somme de 40.000 francs suisses, 200.000 francs français.

Deux cent mille francs aux dépenses de la Chine.

Cinq cents millions aux militaires tchécoslovaques.

Quelques centaines de millions aux fascistes de Pologne et de Roumanie.

Totalisez, camarades chômeurs réduits à la mendicité par les maîtres du jour !

Donc, convoqué, hier, à 16 h. 30, dans le salon de l'Horloge, le Conseil avait à se prononcer sur la résolution que son président avait lue et commentée la veille.

Nous avons dit ce qu'il fallait penser de ce document monstrueux et nous ne croyons pas qu'il soit indispensible de revenir sur notre appréciation. Deux traits caractérisent la résolution :

L'occupation militaire illimitée

1^o Le Conseil donne licence au gouvernement de Tokio de conserver ses



Pendant qu'on palabre à la S. D. N., le gouvernement japonais poursuit sa besogne d'impérialisme. Voici un fantassin nippon montant la garde devant les barrages établis entre la ville chinoise et les concessions japonaises de Tsitsikar

troupes en Mandchourie tant qu'il le voudra.

En septembre dernier, pour sauvegarder les apparences, la S. D. N. fixait une date à laquelle le Japon devrait avoir évacué la zone occupée. Fort de l'appui de tous les membres du Conseil, le Japon n'a cessé d'étendre sa conquête jusqu'à l'heure présente il menace directement la ville de Kharbine, dont il est décidé à s'emparer le plus rapidement possible. Cette fois, le Conseil laisse au Japon les mains libres et la latitude la plus large. Le Japon a occupé de vastes territoires alors qu'une résolution du Conseil mentionnait une date d'évacuation. Que sera-ce désormais, alors qu'aucune date n'est plus évoquée ?

La conquête de la Mandchourie, grâce à Briand, a l'estampille de la Société des Nations. Nous n'en doutons pas depuis le début de l'affaire. Mais, depuis hier, le fait a une consécration officielle.

Hier, M. Yokishawa a indiqué d'ailleurs, qu'à son avis, ces stipulations devaient être encore aggravées. Il ne suffit pas au Japon de demeurer en Mandchourie. Il prétend y conserver licence de guerroyer à sa guise. Le délégué nippon a déclaré formellement que son pays se réservait le droit de prendre toutes mesures indispensables contre les bandits et les hors-la-loi.

Les bandits et les hors-la-loi sont les travailleurs de Mandchourie qui ne supportent pas le joug de l'étranger. Contre eux, c'est-à-dire contre les masses laborieuses de Chine, la guerre continue avec l'appui du Conseil.

2^o Autre caractéristique de la résolution. Elle institue une commission d'enquête. Quel est au juste le mandat de cet organisme ? « Ce mandat, déclare M. Briand, n'exclut en principe aucune question que la commission croira devoir étudier, pourvu qu'il s'agisse d'une question ayant trait à toute circonstance qui, de nature à affecter les relations internationales, menace de troubler la paix entre la Chine et le Japon ou la bonne entente entre les deux pays, dont la paix dépend. »

On aura une idée de l'activité à laquelle se livrera la Commission quand on saura que parmi les personnalités auxquels on a songé pour la présider, figure le maréchal Franchet d'Esperey, ancien organisateur de la guerre contre les soviets hongrois.

Les coupeurs de têtes se soumettent

Comme il fallait s'y attendre, le représentant de Nankin placé en face de cet exorbitant projet, a capitulé sur toute la ligne.

Aussi bien le gouvernement de Washington avait-il, avant-hier matin, enjoint à Nankin d'accepter la résolution de la S.D.N. et c'est à cette intervention sans doute que fit allusion M. Briand, lorsqu'à la fin de son discours il remercia avec effusion le général Dawes de ses « efforts pacifiques » (sic).

C'est à peine si, pour marquer sa dérobade aux yeux des masses populaires chinoises en effervescence, le Dr Sze a entouré son adhésion de réserves parfaitement inconsistantes. La Chine, a-t-il déclaré, réserve les droits qu'elle tient du pacte de la S. D. N. et du pacte Briand-Kellogg (on a vu l'usage que les puissances impérialistes ont fait de ces instruments). L'arrangement, a-t-il ajouté, doit impliquer la cessation des hostilités, la fin de l'occupation militaire, le contrôle de la situation par les neutres (les neutres sont les puissances qui, depuis le 18 septembre, ne cessent d'encourager les rapines japonaises). Notre adhésion, a dit encore M. Sze, laisse intacte la question des réparations et des dommages subis par nous (Dès le premier jour de la session, le Conseil a remis au vestiaire cette question scabreuse). La Chine enfin considérera comme un acte d'hostilité toute initiative du Japon en matière de répression du banditisme (Oui, mais le Conseil donne quitus au gouvernement de Tokio).

Aussi bien, en dépit de ces réserves dérisoires, un fait demeure : le délégué des coupeurs de têtes du Kuomintang a souscrit à la conquête de la Mandchourie.

Telle quelle, la résolution du Conseil sera saluée d'enthousiasme par tous les fauteurs de guerre de l'univers, par tous les aventuriers antisoviétiques, par tous les boursicotiers de la planète, et d'abord par les Blancs d'Extrême-Orient qui, derrière Semenoff, se préparent aux carnages prochains.

Bien remarquables furent, à cet égard, les appréhensions qu'exprimèrent, hier, au Conseil les délégués du Pérou, M. Prada, et du Paraguay, M. Garay, qui voient dans la résolution votée un encouragement aux empiètements de l'Union nord-américaine.

On parle quelquefois de faillite de la S. D. N. A dire vrai, la S.D.N., sous la direction de l'impérialisme français, se proposait très exactement de seconder de tout son appui la pression japonaise, de conférer en quelque sorte le mandat au Japon pour poursuivre sa conquête.

Il ne nous semble pas que la S. D. N. ait failli dans cette mission. Bien au contraire.

Bobards "pacifistes"

Toutefois, la S. D. N. a un rôle complémentaire à jouer. Celui d'entourer de mystère les opérations guerrières. Y est-elle parvenue ? Hier, M. Salvador de Madariaga, ambassadeur du gouvernement répu-

blicain et socialiste d'Espagne, lord Cecil, ancien représentant du Cabinet travailliste à Genève, ont essayé de créer l'illusion et de faire croire que le Japon était tenu d'évacuer la Chine le plus rapidement possible. M. Briand, lui aussi, s'est exercé au même jeu. Pour sauver la face, il a exposé que la résolution ne réalisait qu'un compromis, qu'elle était empirique, qu'elle n'affectait pas la doctrine permanente de la S. D. N. Entraîné par son développement, M. Briand a égrené un certain nombre de mensonges flagrants dans le genre de celui-ci : « Par notre intervention, la guerre a été évitée ! Nous avons endigué et ralenti le cours des événements. »

C'est ainsi qu'on interprète la prise de Tsitsikar et l'avance sur Kharbine.

Mais les efforts des illusionnistes sont vains. La S. D. N. n'a cessé d'être l'instrument des grandes puissances impérialistes. A ce titre, elle a sanctionné le bombardement de Corfou, la prise de Vilna, l'annexion de la Haute-Silésie. Du moins pouvait-elle alors couvrir sa nudité repugnante d'un manteau éclatant. Cette fois, le manteau s'est déchiré. On a voulu le rapiécer. Les chefs socialistes à la Grumbach se sont dévoués à cette besogne. Ils ont perdu leur temps. Des millions d'ouvriers sont édifiés aujourd'hui. Ils savent ce que vaut la bicoque chère aux hommes de la II^e Internationale !

Deux tâches urgentes

Et la double conclusion qui s'impose au terme de ces débats peut, croyons-nous, s'énoncer ainsi :

1^o Le danger de guerre est plus grand aujourd'hui qu'il n'était hier. Le Japon agit désormais comme mandataire officiel de la Ligue. C'est avec l'appui solennel de la S. D. N. qu'il peut se précipiter demain sur le territoire de l'U. R. S. S. Le mandat dont il est investi, il le tient en

tout premier lieu de l'impérialisme français. En même temps qu'il rédigeait sa résolution, M. Briand préparait l'envoi du Primauguet en Extrême-Orient. Renforçons notre lutte contre la guerre, pour la défense de l'U. R. S. S., pour le retrait immédiat des forces militaires et navales françaises d'Extrême-Orient ;

2^o Le pacifisme impérialiste a montré son vrai visage, qui est le visage de la guerre. Le débat de ces derniers 25 jours est trop instructif pour que nous n'en tirions pas profit. La résolution votée hier, les circonstances qui ont précédé son élaboration, doivent être utilisées au maximum par nos camarades. Qu'ils s'en servent pour mettre à jour l'escroquerie des bateleurs pacifistes qui préparent le 18 décembre une nouvelle exhibition à Japy. Et qu'ils opposent à une méthode qui a fait ses preuves — ses preuves guerrières — notre méthode, celle de la lutte bolcheviste contre la guerre, celle de l'action révolutionnaire de masse, celle de l'action antimilitariste, celle du combat sur tous les terrains, pour affaiblir notre impérialisme.

Gabriel PERI.

Enclosure No. 14 to Despatch No. 2086
of December 15, 1931.
From the Embassy at Paris.

Extract from L'ŒUVRE, December 11, 1931.

Diplomatiquement le conflit sino-japonais est résolu

Le Conseil de la Société des Nations a clos sa session
après un émouvant discours de M. Aristide Briand

Le Conseil de la Société des Nations a terminé ses travaux. Il a abouti à une solution dont M. Aristide Briand, avec une modestie voulue, a défini la portée : « solution de conciliation et de compromis ».

Sur quoi, dans la coulisse, on entend les détracteurs de la Société des Nations ricaner :

— Ah ! bon ! C'est tout ça ?

Et de rire !...

Car voici le parallogisme de ces messieurs :

— La Société des Nations devrait être à même de prononcer, sur tout cas litigieux, des sentences, et de les imposer. Si elle n'en est pas capable, elle ne sert à rien.

Certes, il serait souhaitable que la Société des Nations pût, en toute indépendance, « dire le droit », et être assez forte, l'ayant dit, pour le faire respecter. Mais si même elle n'arrivait pour l'instant — et c'est le cas — qu'à concilier et à rapprocher, au lieu de laisser se développer la guerre, son rôle ne serait-il pas déjà magnifique ?

Ce ne sont pas les paroles décourageantes qui auraient fait défaut autour de M. Briand durant ces trois semaines de négociations :

— Ne vous occupez donc pas de ces histoires-là ! Vous n'arriverez à rien ! Vous perdez votre temps, votre salive et votre entregent !

Il n'a cédé ni à ces conseils, ni à la lassitude, ni à l'impatience. Il a voulu que l'on parvint à établir un texte auquel les deux parties en présence donneraient leur assentiment. Il a réussi ce dont on lui répétait à l'envers qu'il était une gageure.

— Texte dont, demain, les parties ne tiendront compte ni l'une ni l'autre.

Voire ! Car il est d'abord un point acquis : c'est le droit pour la Société des Nations d'envoyer sur place une commission impartiale dont le rôle sera de regarder...

...et de se faire.

Non point : de parler, au contraire, et d'informer. Et ce qu'Aristide Briand a mis admirablement en lumière dans le discours qu'il a prononcé hier, c'est l'importance de cette information :

« Trois mois, a-t-il dit, ont pu être gagnés : gain de temps propice à la détente des esprits aussi bien qu'à l'éveil de l'opinion publique mondiale. »

L'opinion publique, désormais, est en effet en éveil. Et aux thèses contradictoires, aux renseignements confus, divergents et intéressés, elle demande qu'on substitue une information objective, sur quoi elle se prononcera.

— Bah ! laissez donc là l'opinion publique ! De quel poids est-elle dans cette affaire ? Il n'y a plus que Briand pour croire à l'importance de ces choses-là dans la marche des événements. « L'opinion publique mondiale » ? Vous imaginez-vous que le Japon s'en soucie ?

— Il faut croire. Car sans cela, qu'est-ce qui l'empêchait — en disant, comme vous, « qu'elle se méfait de ce qui ne la regardait pas » — de rompre avec la Société des Nations, représentante officielle, précisément, de cette opinion ? Ne serait-

Il est vrai qu'il s'agit, pour nous, d'une opinion publique qui doit se faire elle-même, sur documents, et qu'il s'agit, pour eux, de l'opinion publique telle qu'ils prétendent la faire...

Jean Plot.

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Car voici le paralogisme de ces messieurs :

— La Société des Nations devrait être à même de prononcer, sur tout cas litigieux, des sentences, et de les imposer. Si elle n'en est pas capable, elle ne sert à rien.

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Il n'a cédé ni à ces conseils, ni à la lassitude, ni à l'impatience. Il a voulu que l'on parvint à établir un texte auquel les deux parties en présence donneraient leur assentiment.

Il a réussi ce dont on lui répétait à

dans cette affaire : « n'y a plus qu'à ». Briand pour croire à l'importance de ces choses-là dans la marche des événements. « L'opinion publique mondiale » ? Vous imaginez-vous que le Japon s'en soucie ?

— Il faut croire. Car sans cela, qu'est-ce qui l'empêchait — en disant, comme vous, « qu'elle se mêlait de ce qui ne la regardait pas »

— de rompre avec la Société des Nations, représentante officielle, précisément, de cette opinion ? Ne serait-elle encore que cela, du moins l'est-elle en effet, et M. Briand, ne fût-ce qu'à ce titre, à raison d'en proclamer et d'en assurer le prestige.

Et puis, ceux qui contestent ici la valeur de l'opinion publique ne sont-ils pas les mêmes qui, pour défendre leurs thèses nationalistes, usent sans cesse de cet argument :

« L'opinion publique ne permettra pas que... l'opinion publique ne le

Il est vrai qu'il s'agit, pour nous, d'une opinion publique qui doit se faire elle-même, sur documents, et qu'il s'agit, pour eux, de l'opinion publique telle qu'ils prétendent la faire...

Jean Piot.

La séance d'hier du Conseil de la Société des Nations a clos le laborieux débat institué, il y a plus de trois semaines. On n'attendait rien qui démentît la séance de la veille. Il ne s'est rien produit, en effet.

La séance d'avant-hier avait été interrompue, faute d'instructions du gouvernement japonais à son délégué. Elles sont venues.

Le Conseil a donc pu conclure et a conclu.

Cependant, la physionomie générale du Conseil et même de l'assistance, tout à coup changea lorsque le vote du projet de résolution fut acquis à l'unanimité.

On eût dit qu'auparavant chacun s'efforçait de parler le moins possible, de faire le moins de gestes possible. Il se passait quelque chose de rare, de difficile. Le Conseil devait réussir un prodige d'équilibre.

Mais dès qu'il n'y eut plus de crainte, non seulement tout le monde parut reprendre souffle, mais le Conseil, mais la Société des Nations revenaient peut-on dire, à leur volume, à leur consistance. Devant tant d'obstacles, auxquels le Conseil s'était heurté, devant les obstructions où, maintes fois, on crut qu'il resterait pris, personne n'avait plus guère songé à sa force, à sa méthode, à sa maturité. Ce fut au point que certains jours, se préoccupait-on du conflit entre les Chinois et les Japonais ? On regardait bien davantage la menace que Chinois et Japonais faisaient courir à la Société des Nations.

Et, il faut l'avouer, peu pensèrent qu'elle pût échapper à la disgrâce.

Or, la seconde partie de la séance d'hier a opéré un redressement, une remise en place.

Ce redressement se manifesta d'abord par le discours de M. Briand.

D'autres voix se joignirent à sa voix.

Mais la liberté d'examen, la capacité de juridiction du Conseil ne seraient pas pleinement redevenues visibles si chacun de ses membres n'avait solennellement ajouté à leur approbation unanime, l'entière clairvoyance de commentaires indépendants.

Les interventions des représentants des petits pays « faibles », à cet égard, furent émouvantes. Celles de M. Motos du Guatemala, de M. Gonzales Prada du Pérou, de M. Garay du Panama.

Le droit de protection des peuples désarmés ou mal armés que pressent des voisins en armes, le droit de libre vie de chacun, voilà la promesse qui fut placée à côté de celle du droit à la paix internationale dont le Conseil venait d'être, une fois de plus, l'arbitre.

Les impressions et les opinions, autour de cette fin de session, seront sans doute nombreuses et diverses.

M. Von Muting, secrétaire d'Etat à la Wilhelmstrasse, représentant de l'Allemagne, tint cercle dans la salle des journalistes. Il n'est pas indiscret d'assurer qu'il était satisfait, qu'il croyait que la Société des Nations n'avait pas démerité et que sa décision aurait son effet.

Non loin, M. Rappoport conseil-
lait, de sa grosse voix, aux Chinois, de moins se battre entre eux afin de moins risquer d'être battus par les autres.

HENRI KERTZ.

Pm.11

Enclosure No. 15 to Despatch No. 2086
of December 15, 1931.
From the Embassy at Paris.

Extract from PARIS MIDI, December 11, 1931.

REFLEXIONS sur le règlement du conflit sino-japonais

Le Conseil de la S. D. N. est enfin parvenu à mettre péniblement sur pied une solution du conflit sino-japonais.

On la dira boiteuse, mal ajustée, faite « de bric et de broc ». Mais pouvait-il en être autrement ? Ce qui compliquait le problème, en l'occurrence, c'était le caractère particulier des candidats belligérants, et surtout de l'un d'eux.

On se trouvait en présence, en effet, non pas de deux nations totalement indépendantes l'une et l'autre — je n'apprécie pas, je constate — mais d'une nation, la Chine, qui était liée par des traités mettant une partie de son territoire sous la surveillance du Japon, et qui, qu'on le veuille ou non, avait aliéné ainsi, en fait, un peu de son indépendance.

Il serait donc injuste de vouloir accuser la S. D. N. d'avoir voulu favoriser les entreprises impérialistes du Japon. Le Conseil a pris la situation telle qu'elle résultait des traités antérieurs ; il ne pouvait en rien la modifier.

C'est pourquoi les décisions prises n'affectent en rien la doctrine même de la S. D. N. C'est pourquoi la solution intervenue ne peut et ne doit en rien servir de modèle pour l'avenir.

Tel est le premier enseignement à tirer des longues et pénibles informations qui viennent de se terminer. Il en est d'autres.

D'abord, si la force morale de la S. D. N. s'est manifestée, sa faiblesse physique est apparue non moins éclatante.

La S. D. N. ne sera pas ce qu'elle doit être tant qu'elle ne disposera pas de sanctions et de moyens d'appliquer ces sanctions.

Ensuite, on n'a jamais autant remarqué peut-être, surtout en ce moment où les hommes paraissent débordés par les événements, quelle influence une forte individualité peut exercer sur l'histoire.

Si le conflit n'a pas dégénéré davantage, il n'est pas exagéré de dire que c'est à M. Briand qu'on le doit surtout. Certes, le général Dawes, d'autres encore, ont tenu, et bien tenu, leur partie dans le chœur ; mais qui me contredira si j'affirme que beaucoup parmi les membres du Conseil étaient excédés ? De cette exaspération, de cette lassitude, de ce découragement même, seules l'obstination, la patience et l'énergie — une énergie rendue plus méritoire par les souffrances physiques de M. Briand — ont fini par triompher.

Nous avons bien le droit d'en être fiers. Mais le devoir aussi, hélas ! de nous inquiéter. A quelles mains, dans un avenir que nous espérons le plus éloigné possible, va passer le flambeau ?

Gabriel Perreux.

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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

P.P. 11

Enclosure No. 16 to Despatch No. 2086
of December 15, 1931.
From the Embassy at Paris.

Extract from LE PETIT PARISIEN, December 11, 1931.

Le conseil de la S. D. N. en a enfin terminé, pour cette session, avec le conflit sino-japonais. Grâce à la patience dont ses membres ont fait preuve — ils ont siégé presque sans interruption pendant vingt-cinq jours et souvent à deux reprises dans la même journée, — grâce à l'amicale obstination de son président, M. A. Briand, dont l'habileté manœuvrière et l'éloquence persuasive ont fini par vaincre les obstacles les plus rebutants, il est venu momentanément à bout d'une des affaires les plus embarrassantes dont ait jamais été saisi l'organisme de Genève.

Malgré ce résultat satisfaisant, il est hors de doute que ce dernier sera assez vivement critiqué par ses adversaires habituels. Nous avons dit ici même, en septembre, au moment où le problème s'est posé, et depuis, avant que s'ouvrent les débats du Quai d'Orsay, l'erreur commise par le secrétariat en voulant appliquer les statuts de la S. D. N. à un différend provoqué par un état de choses absolument anormal et en essayant, à la faveur de ce différend, d'amener les Etats-Unis à prendre ouvertement une part active aux travaux de la « Ligue ». C'était, en effet, accumuler les difficultés.

Ceux qui en ont triomphé n'en ont que plus de mérite. Non seulement on a obtenu la collaboration cordiale — encore que discrète — du gouvernement de Washington, ce qui est très appréciable, mais, ce qui est essentiel, le conseil a finalement atteint son but, qui est d'arrêter les actes d'hostilité, d'empêcher, grâce à l'envoi sur place d'une commission d'études, le conflit de s'aggraver et d'obliger les adversaires, sous la pression de l'opinion publique mondiale, à engager dans le calme des négociations directes. Les contempteurs de la Société des nations auront beau se gausser de la lenteur et parfois du manque de clarté de ses débats, il n'en reste pas moins que le conseil vient de prouver, une fois encore, qu'aucune puissance, de quelque force qu'elle dispose, quelque exceptionnelle que soit la cause du différend et quelque lointain que puisse être le théâtre des opérations, ne saurait déclencher une guerre sans que le reste du monde s'émeuve et la contraigne à venir expliquer sa conduite.

Il y a là un fait d'une importance capitale sur lequel on ne saurait trop insister, car il est profondément encourageant. Il l'est d'autant plus que, dans le cas présent, ainsi que nous le soulignons plus haut et ainsi que l'ont fait remarquer, hier, M. A. Briand et, après lui, la plupart de ses collègues, on se trouvait en présence d'une situation à laquelle des arrangements contractuels exceptionnels — en l'espèce les traités autorisant le Japon à maintenir des troupes sur le territoire de la Chine et la présence en Mandchourie de bandes de brigands organisées militairement — donnaient un caractère absolument anormal et qu'il importait, en outre, au premier chef, de ne pas créer un précédent susceptible d'être ultérieurement invoqué ailleurs.

Cette question de la répression des brigands a donné lieu, à la fin de la séance publique d'hier, à une déclaration unilatérale du délégué japonais, M. Yoshizawa, déclaration à laquelle le docteur Sze a naturellement répondu, au nom du gouvernement de Nankin. Cette intervention, qu'on s'était, au cours des deux ou trois derniers jours, efforcé d'écarter, était à peu près inévitable. Elle ne diminue, en tout cas, ni la valeur de la résolution adoptée finalement à l'unanimité, ni le mérite de ceux qui, comme M. Briand, se sont dépensés sans compter pour maintenir la paix, ni, enfin et surtout, l'immense service que, grâce à leurs efforts, la S. D. N. vient, une fois de plus, de rendre à l'humanité. Souhaitons maintenant que les deux parties fassent un effort égal pour éviter entre elles tout nouvel incident et que le conseil n'ait plus, de son côté, lors de ses prochaines sessions, qu'à enregistrer les progrès de leurs négociations.

A. JULIEN.

Ref. 11

Enclosure No. 17 to Despatch No. 2086
of December 15, 1931.
From the Embassy at Paris.

Extract from LA REPUBLIQUE, December 11, 1931.

LE CONFLIT SINO-JAPONAIS

Une fois encore M. Aristide Briand a sauvé la Paix

La session du Conseil de la S. D. N. a heureusement pris fin hier.

Et la résolution qu'avait arrêtée le comité de rédaction a été finalement adoptée à l'unanimité et a recueilli, avec quelques réserves et quelques commentaires, l'adhésion du représentant du Japon et l'adhésion du représentant de la Chine.

On lira plus loin l'analyse de cette émouvante réunion qui s'est tenue au Quai d'Orsay, où, déjà, Aristide Briand avait su résoudre le conflit gréco-bulgare.

Faut-il crier avec enthousiasme que la Société des Nations vient de triompher du nationalisme nippon ? Cet enthousiasme serait excessif et la colonie chinoise en Europe a lancé une protestation contre la résolution du Conseil de la S. D. N., où elle va jusqu'à voir une légalisation de l'agression japonaise par le Conseil de la S. D. N.

Mais le grand mérite de cette session, le grand mérite de M. Briand, ce sera d'être parvenu, grâce à des trésors de patience et de ténacité, à faire adhérer le Japon à l'enquête du Conseil et à l'évacuation prochaine de la Mandchourie.

Il est bien difficile, aussi longtemps que la Société des Nations ne disposera d'aucune arme de coercition, de lutter contre la volonté agressive d'un impérialisme déchaîné.

Un terme a été mis à cette session laborieuse par deux grands faits.

L'arrêt des hostilités entre la Chine et le Japon ;

L'appel adressé par M. Briand à la conscience de l'opinion publique internationale.

Aristide Briand, une fois encore, a bien travaillé pour la paix.

Robert LANGE.

Enclosure No. 18 to Despatch No. 2086
of December 15, 1931.
From the Embassy at Paris.

Extract from LE TEMPS, December 11, 1931.

LE DIFFEREND SINO-JAPONAIS

Le conseil de la Société des nations arrive au terme des travaux de sa longue session extraordinaire. On avait espéré en finir hier, mais le représentant du Japon n'ayant pas reçu en temps voulu les instructions de son gouvernement au sujet de la dernière question en discussion, — celle relative aux conditions de l'action nécessaire contre les bandits, — il a fallu remettre à cet après-midi l'adoption définitive de la résolution du conseil. Le contretemps est fâcheux, car tant de surprises se sont produites depuis quatre semaines qui vinrent compliquer ces délicates négociations qu'on est naturellement porté à craindre que tout le débat ne vienne à rebondir à propos de l'interprétation d'une formule ou d'un mot.

Le gouvernement de Tokio tient essentiellement à prévenir toute équivoque en ce qui concerne l'action qu'il devra éventuellement entreprendre contre les bandits chinois qui opèrent en fortes bandes en Mandchourie. Or, ces irréguliers étant en fait d'anciens soldats chinois tenant la campagne pour leur propre compte et disposant d'un armement important, les Japonais estiment que les opérations de police pour réprimer le banditisme doivent avoir, en cas de nécessité, un caractère militaire, c'est-à-dire que l'armée japonaise doit pouvoir être employée à cette répression. La formule à laquelle s'est arrêté le conseil de la Société des nations ne satisfait pas entièrement Tokio. De là les dernières objections qui ont surgi au moment de conclure, mais on espère que l'accord final sera réalisé avant la séance de cet après-midi et, à défaut de cet accord, la difficulté pourrait toujours être tournée par une déclaration du gouvernement japonais réservant sa manière de voir sur cette question spéciale.

L'essentiel est que l'entente soit faite sur l'ensemble de la résolution du conseil et que celle-ci ait pu être définitivement établie, ainsi que la déclaration du président qui l'accompagne et qui la complète. Le texte de la résolution est conforme aux indications publiées ces jours derniers. On part du fait que les deux parties sont liées par la résolution du 30 septembre, adoptée à l'unanimité à Genève, et qui autorise le conseil à demander aux gouvernements chinois et japonais de prendre toutes les mesures nécessaires pour en assurer l'exécution, de manière que le retrait des troupes nippones dans la zone du chemin de fer puisse s'effectuer le plus rapidement possible dans les conditions qui ont été prévues. Le conseil prend acte de l'engagement des deux parties d'éviter toute nouvelle aggravation de la situation et de s'abstenir de toute initiative de nature à provoquer de nouvelles rencontres. De plus, sans préjudice de l'exécution des mesures recommandées et désirant, « vu les circonstances spéciales de l'affaire », aider les deux gouvernements à résoudre définitivement au fond les questions pendantes entre eux, le conseil décide la nomination d'une commission de cinq membres chargée de procéder à une étude sur place, commission qui devra lui faire rapport « sur toute circonstance de nature à affecter les relations internationales, menaçant de troubler la paix entre la Chine et le Japon ou la bonne entente entre les deux pays, dont la paix dépend ». On voit que la formule, très large dans son sens général, est rédigée avec prudence. Les deux gouvernements en cause donneront à la commission toutes facilités pour s'informer sur place, mais il est entendu — et ceci est essentiel pour le développement de la situation — que la commission n'aura pas qualité pour intervenir dans les négociations directes qui s'engageront entre les deux parties, pas plus qu'il ne lui appartiendra d'intervenir dans les dispositions

d'ordre militaire de l'une ou de l'autre partie.

En somme, la commission devra se borner à une étude sur place de la situation et en faire rapport au conseil, mais elle n'aura pas à faire acte de médiation, puisqu'elle ne pourra intervenir ni dans les dispositions d'ordre militaire, ni dans les négociations directes entre les deux gouvernements. La thèse du Japon écartant toute intervention de tiers pour le règlement du différend prévaut ainsi entièrement. La déclaration présidentielle expose, d'ailleurs, que les gouvernements chinois et japonais auront le droit de proposer à la commission toute question qu'ils désirent particulièrement voir examiner par celle-ci et que la commission sera libre d'envoyer au conseil, toutes les fois qu'elle le jugera nécessaire, des rapports sur des points spéciaux. La commission aura pleine et entière liberté de mouvement pour s'informer sur place; elle aura, de même, la plus grande liberté dans ses rapports avec le conseil, mais là se bornera son rôle, puisqu'elle ne pourra intervenir effectivement en cas de complications sur le terrain ni exercer une influence directe pour le règlement au fond. Dans la réalité des choses, Japonais et Chinois demeurent en présence et sur le terrain diplomatique et sur le terrain militaire. Ils ont pris certains engagements envers la Société des nations, et la présence de la commission d'étude, qui est chargée d'informer le conseil des constatations qu'elle aura pu faire, les disposera, sans doute, à tenir les promesses faites. Mais si ces promesses ne sont pas tenues, si les engagements pris ne sont pas loyalement exécutés, on ne disposera d'aucun

moyen de prendre des sanctions, la commission n'aura pas le pouvoir d'intervenir utilement. Même en ce qui concerne l'évacuation des localités chinoises occupées, si les engagements pris par les deux parties aux termes de la résolution du 30 septembre — retrait des troupes nippones et garantie par les Chinois de la sécurité des ressortissants japonais — ne sont pas exécutés au moment où la commission arrivera sur le terrain, elle ne pourra que le constater dans un rapport au conseil. C'est la formule que l'on a trouvée pour éviter de fixer une date pour l'évacuation, le Japon ne voulant en aucun cas s'engager à retirer ses troupes dans un délai déterminé puisqu'il subordonne leur retrait à des garanties de sécurité qui ne sont pas encore réalisées.

La résolution telle qu'elle a été présentée à la séance d'hier traduit, en somme, tout ce que le conseil de la Société des nations peut pratiquement faire dans l'état présent des choses et dans les conditions où il a été saisi en vertu de l'article 11 du pacte. Cette résolution, se basant sur les engagements pris de part et d'autre, tend à hâter l'évacuation, à prévenir de nouvelles rencontres, enfin à faciliter des négociations directes entre le Japon et la Chine. Cette tâche s'est déjà révélée suffisamment délicate pour qu'on ne complique pas les choses par une intervention plus précise qui se heurterait à d'énormes difficultés. Le différend sino-japonais, qui est fait de multiples questions en suspens depuis longtemps entre les deux pays et dont le véritable caractère échappe trop souvent à notre esprit occidental, ne peut se régler définitivement que par des négociations directes entre Tokio et Nankin. Maintenant que le terrain est déblayé, il faut souhaiter que ce soit dans cette voie que l'on s'efforce de trouver la solution.

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of December 15, 1931.
From the Embassy at Paris.

Extract from L'HUMANITE, December 12, 1931.

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sera celle des militaires de la clique impériale
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AUTOUR DE L'UNION SOVIÉTIQUE MENACÉE

Le Conseil de la Société des nations a terminé avant-hier ses « travaux » en donnant mandat au Japon pour poursuivre en Mandchourie les plans impérialistes d'agression contre l'Union soviétique.

Ce résultat obtenu sous la direction de la France impérialiste, le compromis scélé pour la lutte commune contre la révolution chinoise en vue du dépeçement de la Chine — malgré les antagonismes croissants entre les puissances intéressées en Chine — un sérieux événement s'est produit au Japon. Le cabinet Wakatsuki a donné sa démission hier matin.

On sait qu'au Japon, où règne la dictature militaire-feodale, l'état-major est tout puissant et dicte ses volontés au gouvernement. (Les ministres de la guerre et de la marine sont désignés obligatoirement parmi les officiers supérieurs. Cela leur donne une grande influence. Si les hommes du cabinet ne leur plaisent pas, ils peuvent refuser d'entrer dans ce cabinet. Le cabinet doit leur être en fait entièrement soumis.)

L'invasion de la Mandchourie — première partie du plan de Tanaka de conquête de la Chine et de guerre contre l'Union soviétique pour l'annexion au Japon de la République soviétique d'Extrême-Orient et de la Mongolie — fut entreprise par le gouvernement Wakatsuki, poussé par le capital financier et les militaires.

Mais les raisons économiques dominent cependant la politique de l'impérialisme japonais. L'Humanité a déjà à maintes reprises montré que la production formidable de l'industrie nipponne, très moderne et concentrée au plus haut point, faisait nécessité aux capitalistes japo-



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La crise au Japon

La crise sévit au Japon autant que dans tous les autres pays capitalistes. Dans les conditions de la crise générale du capitalisme, le Japon ne pouvait être épargné.

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Le chômage ne fait que croître. On compte actuellement environ 1 million 200.000 sans-travail.

La situation financière du pays est chaque jour plus mauvaise. Le ministre des finances, M. Inouye, prévoyait hier, dans une déclaration à la presse, l'aggravation du déficit dans le budget : « La situation est grave et délicate, disait-il. Il faut absolument augmenter les impôts. »

La guerre que la bourgeoisie japonaise a portée en Chine n'a donc pas été l'exutoire que préoyaient les financiers. La situation économique s'aggrave et la bourgeoisie s'apprête à charger encore les épaules des travailleurs japonais du poids de nouveaux impôts.

Déjà, les salaires des ouvriers de l'industrie métallurgique et textile, les traitements des cheminots ont été rognés à plusieurs reprises. D'après les dernières données de la *Banque Nipponne*, le salaire de l'ouvrier japonais a encore baissé en novembre de 0,3 %, étant à 84 points, contre 100 en 1926.

Aussi, les grèves succèdent-elles aux grèves, toutes conduites par les syndicats rouges illégaux, mais trahies par les chefs des syndicats réformistes et réprimées avec sauvagerie par la police.

Les dépenses pour mener la guerre en Mandchourie et préparer l'agression antisoviétique pèsent de plus en plus sur les épaules des masses travailleuses qui meurent littéralement de faim pour la majeure partie. Aussi de nombreuses manifestations ont lieu contre l'entreprise impérialiste en Chine, le mouvement antiguerrier et de solidarité avec les travailleurs chinois et l'U.R.S.S. se développe avec impétuosité.

La lutte des consortiums

Toutes ces conditions économiques et politiques ont fait la position du gouvernement Vakatsouki intenable. De graves dissensions ont surgi au sein du cabinet relativement à la situation financière.

Et puis, il y a la lutte incessante entre les deux principaux partis qui se succèdent au pouvoir : le *Minseito* — qui était au gouvernement jusqu'à hier — et le *Seiyukai*, qui menait la bataille contre le cabinet Vakatsouki.

Le *Minseito* (parti constitutionnel-démocrate) est le parti du gros capital, principalement du capital financier ayant ses bases dans les grandes villes. Ce parti représente également les intérêts des industries chimique, textile, métallurgique et de constructions navales. Dans ses rangs on compte les couches des intellectuels « libéraux ». A la tête du *Minseito* il y a Hamaguti (ancien ministre de l'Intérieur et des Finances). Les leaders sont Vakatsouki, Adatchi, etc. Derrière le *Minseito* il y a le grand consortium Mitsoubici.

Le *Seiyukai* reflète, en premier lieu, les intérêts des propriétaires fonciers, des marchands, de l'industrie de la pêche, du bois et, en partie, des mines et de la métallurgie. Le *Seiyukai* est étroitement lié aux capitalistes travaillant en Chine, avec la direction du chemin de fer sud-mandchourien, ainsi qu'avec les militaristes et les sphères impériales. Politiquement, c'est un parti typiquement impérialiste, fasciste et ultra-monarchiste. C'est lui, derrière lequel se trouve le trust du commerce et de l'exportation, qui mène la plus active politique d'annexion en Chine ; qui, sitôt après la révolution bolchevique, en se liant avec l'impérialisme français, commença une agitation énergique pour l'occupation de la Sibérie. Le chef du *seiyukai* était le baron Tanaka, auteur en 1917 du fameux plan de guerre contre la Chine et l'U. R. S. S.

Ce parti préconise une répression encore plus sauvage du mouvement ouvrier. Et c'est lui qui après la consécration par la S. D. N. de l'annexion de la Mandchourie et à l'inspiration de l'impérialisme français, va prendre le pouvoir au Japon pour pousser plus avant l'exécution des visées de l'impérialisme nippon et les provocations antisoviétiques.

Les méthodes du Seiyukai

Adatchi, ministre de l'Intérieur, pour tenter de maintenir le *minseito* au pouvoir, préconisait la formation d'un gouvernement national de coalition. Mais le parti adverse maintint sa suggestion de l'embargo sur l'or que repoussait le ministre des Finances, Inouye.

Pendant que ces discussions « politiques » se poursuivaient, les fascistes et les militaires du *seiyukai* préparaient le renversement par la force du cabinet Vakatsouki. Le 17 octobre fut découvert un attentat préparé contre tous les membres du gouvernement. Chaque ministre avait été convoqué par des officiers à des rendez-vous où ils devaient être tués, sauf le ministre de la guerre, qui, naturellement, avait partie liée avec les fascistes. Le complot fut éventé, des perquisitions furent opérées. Mais la presse fit silence sur cette grave affaire, car dans l'organisation de l'attentat se trouvait le prince Shishibu, de sang impérial.

Devant les menaces, dans la nuit d'avant-hier, Vakatsouki préféra remettre la démission collective du cabinet plutôt que de continuer à suivre Adatchi pour la formation impossible d'un cabinet d'Union nationale.

Les milieux officiels tentent d'accréditer l'opinion que la crise ministérielle n'a qu'un caractère de politique intérieure. En partie cela est vrai. Mais ce qui est plus vrai, c'est que l'impérialisme japonais entend mener plus activement encore sa politique de conquête en Extrême-Orient et avec plus de brutalité la politique antisoviétique préconisée par Tanaka. Le parti fasciste *seiyukai* est lié avec la Ligue Aubert contre la troisième Internationale, et c'est lui qui fournit les armes aux gardes blancs de Semenov, sur les instructions de l'impérialisme français. A ses yeux, comme de l'avis des militaristes, le cabinet Vakatsouki ne laissait pas assez

libre l'Etat-Major du général Honjo en Mandchourie.

On voit donc le danger accru que va constituer pour l'U. R. S. S. la formation du nouveau gouvernement de Tokio avec les hommes du parti militaire-fasciste.

Il y a lieu alors de redoubler de vigilance et d'ardeur dans notre lutte de masse pour la défense de notre patrie socialiste encore plus menacée.

M. MAGNIEN.

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Department of State letter, August 10, 1972
By *Milt. O. Gustafson* NARS. Date 12-18-75

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POUR LE FRONT DE MANDCHOURIE.

Rentré d'Extrême-Orient, ces jours derniers, me permettra-t-on de dire ce que je pense de ce conflit que voyaient venir depuis longtemps tous ceux qui suivent attentivement les péripéties de la politique japonaise en Chine.

Le Japon, dont toute la politique, au cours de ces vingt dernières années, s'est basée sur le désordre chinois et qui n'avait pu jusqu'à présent en tirer les conclusions, a saisi l'occasion que lui offraient bien imprudemment les autorités célestes, avec le meurtre du capitaine Nakamura et leurs réponses dilatoires aux demandes, très justifiées, que Tokio avait adressées à ce sujet.

Il y a trois ans, à Pékin, dans mes conversations avec M. Yoshizawa, qui, bien qu'ambassadeur, était alors chargé de la délégation japonaise en Chine, j'avais eu nettement l'impression, en dépit des déclarations, très mesurées, mais pleines de réticences, du distingué diplomate que, le moment venu, le Japon n'hésiterait pas à agir. Le susdit meurtre et l'attentat contre la voie ferrée, dont a argué le gouvernement de Tokio, ont fourni un prétexte d'autant plus attendu que les projets de chemins de fer de Tchang Hsueh Liang, tendant à annihiler la ligne du Transmandchourien, et une très forte émigration en Mandchourie des Chinois du Chantoung étaient de nature à inquiéter gravement les intérêts japonais dans cette province.

Il n'est pas douteux que le Japon, entamant des opérations militaires fort loin du chemin de fer dont il a la garde et entrant à Tsitsikar, après avoir battu une armée chinoise, a élargi considérablement son action, d'où l'intervention de la Société des nations. Mais le Japon a pu facilement répondre que la charte de la Société des nations et l'accord du Pacifique n'ont pas prévu l'extraordinaire état de brigandage dans lequel est tombée la Chine. Le Japon prétend même poursuivre militairement les bandes de brigands jusque sur les confins de Chine. Celle-ci s'oppose à cette prétention.

Et c'est ici qu'éclate la fiction d'un gouvernement de Nankin gouvernant toute la Chine, tandis qu'il n'a aucune action sur ce qui se passe actuellement en Mandchourie. En réalité, il a été, au fond, satisfait de ce conflit. Le gouvernement de Nankin, c'est Chang Kai Chek et la famille Soong. Pour ce gouvernement de clan, il faut que cette situation dure le plus longtemps possible, car aussitôt après ses difficultés intérieures recommenceront.

Que se passait-il, en effet ? De divers côtés on demandait la démission du président généralissime. Wang Ching Wei, que je vis à Canton, me déclara que lui et ses amis exigeaient la disparition complète du dictateur. Une armée cantonaise avait déjà franchi la frontière du Houan. Les

le fief de Tchang Hsueh Liang, allié sans doute, mais tout de même rival, qui va sortir de cette aventure extrêmement diminué.

Les étrangers, vivant en Chine, ont généralement accueilli ces événements dans un état d'esprit qui paraît contradictoire, mais qui s'explique à merveille. Les Japonais, certes, soulèvent chez eux des critiques par certains procédés qui rappellent les méthodes allemandes. Les relations avec les Chinois, moins secrètes, sont plus faciles. Cependant les étrangers sont bien obligés de reconnaître que la Chine avait besoin d'une leçon et qu'elle est en train de la recevoir. La suppression unilatérale de l'exterritorialité, annoncée pour le premier janvier prochain, et la demande de rétrocession des concessions, sont considérées comme très prématurées, étant donné les mœurs qui règnent en matière de justice, jusque dans le voisinage de Changhaï, ainsi que l'a prouvé encore une fois la lamentable fin du jeune Anglais Thorburn, à Soutchéou, au mois de juin dernier.

Après cela, la note de Genève — déclarant que les assurances données par M. Alfred Sze pour la protection des étrangers ont paru suffisantes au conseil de la Société des nations — n'a pu être, là-bas, prise au sérieux par personne.

Enfin, l'anarchie chinoise, qu'il illustre singulièrement la récente attaque de Tientsin par des soldats camouflés en brigands — dont on ne sait pas exactement pour le compte de qui ils marchaient — est inimaginable et d'un autre âge.

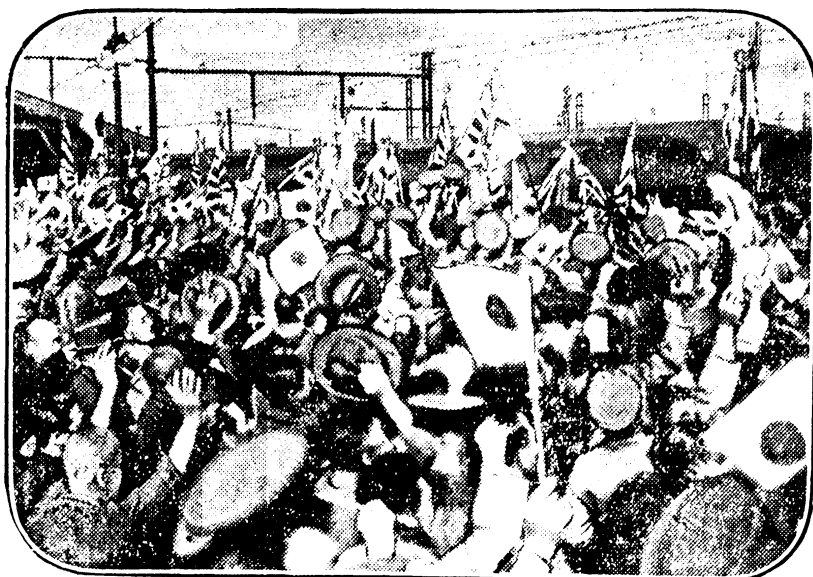
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L'agression japonaise se produit à cet instant critique et aussitôt toutes les difficultés s'aplanissent. Canton renonce à la guerre ; il n'est plus question des armées communistes, auxquelles il semble que Moscou ait ordonné un « stop » provisoire. En outre, les opérations japonaises sont fort lointaines et c'est la Mandchourie qui est en cause, c'est-à-dire

le fief de Tchang Hsueh Liang, allié sans doute, mais tout de même rival, qui va sortir de cette aventure extrêmement diminué.

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Espérons que la commission d'enquête, qui vient d'être instituée, apportera la lumière et fera comprendre à Genève qu'il y a tout de même une hiérarchie des nations et que la Chine a encore un long stage à faire avant d'être admise au rang des pays les plus modernes.

JEAN RODES.

Enclosure No. 21 to Despatch No. 2086
of December 15, 1931.
From the Embassy at Paris.

Extract from LE QUOTIDIEN, December 12, 1931.

Le conflit sino-japonais est-il vraiment terminé?

De longues négociations... Un accord de principe sur des textes vagues, et imprécis... L'envoi d'une commission d'enquête en Mandchourie. Tel est le bilan des travaux du Conseil de la Société des Nations. C'est peu et beaucoup, à la fois. Peu : parce que toutes les difficultés ont été laissées dans l'ombre. Beaucoup : parce que le Conseil, par sa patience, ses efforts louables, sa bonne volonté, est arrivé, pour l'instant, à faire taire le canon.

Nous en étions là ce matin. Mais voici que deux faits viennent, soudain, de redonner à la question de la Mandchourie un regain d'actualité.

Tout d'abord, dans l'après-midi, est parvenue à Paris une dépêche de Tokio qui nous annonçait la démission du cabinet japonais en spécifiant, d'ailleurs, que cet événement n'était dû qu'à des raisons économiques et financières.

Jusqu'ici nous n'avons pas le droit de mettre en doute cette explication, car il existe actuellement au Japon une question de la réimposition de l'embargo sur l'or. Le ministre des Finances du cabinet démissionnaire y était notamment violemment hostile, d'où la crise actuelle. Tout cela est donc très clair et nullement fait pour inquiéter l'opinion publique. Toutefois il est peut-être utile de rappeler que le cabinet qui s'en va n'avait pas toute la confiance des milieux militaires et qu'il était soutenu principalement par le parti libéral.

Or, de qui parle-t-on pour le remplacer? Du groupe Seiyukai, qui forme l'opposition conservatrice, c'est-à-dire l'élément le plus nettement partisan d'une action vigoureuse en Mandchourie...

Ensuite, un second fait est venu ébranler notre confiance dans l'absolue efficacité des négociations de Paris, c'est l'entretien que M. Yoshizawa, délégué du Japon, a accordé à l'un de nos confrères du Journal des Débats. Entretien au cours duquel le plénipotentiaire japonais a précisé quelques points laissés dans l'ombre lors des débats officiels...

Voici les deux passages les plus saillants de cette interview :

— J'ai lu, a déclaré à notre confrère M. Yoshizawa, des nouvelles alarmantes dans les journaux au sujet de la Mandchourie :

Il est vrai que notre armée en Mandchourie éprouve un vif ressentiment contre l'armée de Chang-Hsue-Liang pour le retard apporté par le maréchal chinois au retrait de ses troupes derrière la Grande Muraille. La tension existante peut s'aggraver d'un moment à l'autre. Cependant, j'espère très sincèrement que toute collision entre les forces du maréchal Tchang-Hsue-Liang et les troupes nippones pourra être évitée.

Puis il a ajouté :

— Quand la sécurité sera-t-elle établie en Mandchourie? Il serait bien difficile de fixer une date. La situation en Mandchourie est encore très incertaine et trop précaire pour admettre que la sécurité des ressortissants japonais et de leurs biens puisse être assurée rapidement.

Nous ne voulons et nous ne devons rien dramatiser. Mais nous sommes bien obligés d'avouer que les déclarations de l'éminent diplomate du Japon ne sont guère de nature à nous rassurer.

Il est donc de toute nécessité que la commission d'enquête parte au plus vite pour l'Extrême-Orient, car seule sa présence pourra, du moins espérons-le, amener une détente dans la situation et dissiper les lourds nuages qui restent amoncelés sur les frontières de la Mandchourie. — F. O.

TEMPS 12

Enclosure No. 22 to Despatch No. 2086
of December 15, 1931.
From the Embassy at Paris.

Extract from LE TEMPS, December 12, 1931.

LA SOCIÉTÉ DES NATIONS ET LE CONFLIT SINO-JAPONAIS

~~ELECTION DE M. ALCALA ZAMORA~~

La session du conseil de la Société des nations a pris fin hier dans les conditions qui étaient prévues. La résolution du conseil a été adoptée à l'unanimité. Le représentant du Japon, M. Yoshizawa, a déclaré, en ce qui concerne la répression du banditisme en Mandchourie, que son gouvernement n'interprète pas le paragraphe 2 de la résolution, qui recommande de s'abstenir de toute initiative pouvant entraîner de nouvelles rencontres et de nouvelles pertes de vies humaines, comme visant à empêcher les forces japonaises de prendre telles mesures pouvant être rendues nécessaires contre les agissements des bandits et des gens sans loi qui sévissent dans diverses parties de la Mandchourie. De son côté, le représentant de la Chine, M. Sze, a formulé quelques observations de principe en disant que son gouvernement considère l'arrangement intervenu comme entraînant la cessation immédiate des hostilités et le retrait des troupes nippones dans le plus bref délai possible, la Chine réservant, d'autre part, tous ses droits consacrés par les traités. Il n'en reste pas moins que la résolution telle qu'elle est adoptée à l'unanimité a pour effet, indépendamment de la décision d'envoyer en Mandchourie une commission d'étude dans les conditions que nous avons précisées hier — soit sans pouvoir pour intervenir dans les dispositions militaires de l'une ou l'autre partie ni pour intervenir dans les négociations directes entre Tokio et Nankin — de replacer tout le problème sur le terrain strictement limité de la résolution adoptée par le conseil le 30 septembre dernier.

Dans le discours qu'il a prononcé hier à la séance de clôture de la session, M. Briand a fait clairement ressortir le caractère très spécial de la question mandchoue, en raison de la nature exceptionnelle des relations contractuelles ou coutumières existant en temps normal entre la Chine et le Japon, et aussi, a-t-il ajouté, parce que le statut politique d'un de ces deux pays se trouve régi par les obligations internationales d'une convention de neuf puissances conclue à Washington en 1922, convention que le conseil n'a pas qualité pour interpréter. C'est pourquoi, a fait ressortir M. Briand, la résolution adoptée hier ne saurait affecter en rien la doctrine de la Société des nations, doctrine qui, en ce qui concerne les faits d'occupation et le jeu des articles du pacte, conserve toute sa force. Il n'était certainement pas inutile de le souligner et de préciser qu'il s'agit ici d'une simple conciliation et non pas d'un règlement type constituant un précédent pour l'avenir.

En vertu même de l'article 11 du pacte, qui requiert un vote unanime, y compris les parties en cause, le conseil ne pouvait rechercher qu'une solution de conciliation et de compromis. « La guerre qui menaçait a été évitée. Une longue vigilance, faite de patience et de ténacité, a pu lui être utilement opposée. Les obstacles suscités sur ses pas, aussi fragiles qu'ils fussent, ont du moins endigué et ralenti le cours des événements jusqu'à l'arrêter dans son premier élan, le plus redoutable pour les

peuples. » Ces paroles de M. Briand définissent exactement la tâche accomplie dans des conditions particulièrement délicates et difficiles. Si cette tâche fut ingrate, si le conseil dut faire preuve de tant de patience et de ténacité et tenir si largement compte des circonstances spéciales dans lesquelles le conflit s'est développé, c'est parce qu'une erreur fut commise au début, comme nous l'avons constaté déjà, en saisissant la Société des nations d'un différend de caractère essentiellement local et qui eût pu être réglé sur place par la voie de pourparlers directs entre Japonais et Chinois. Mais une fois engagé dans la procédure de Genève par les décisions prises au cours de la session de septembre du conseil, il a bien fallu aller jusqu'au bout de l'entreprise. Il faut reconnaître que M. Briand fit preuve de courage politique et d'abnégation en acceptant, au mois d'octobre, d'assumer la présidence du conseil de la Société des nations et de s'appliquer à préparer un règlement qui, tout en faisant obstacle à de nouveaux développements du conflit, devait sauvegarder l'autorité morale de l'institution internationale de Genève sans pourtant élargir son intervention dans un différend qu'on ne pouvait aborder pratiquement qu'en tenant compte des droits de chacun et des réalités d'une situation de fait qu'il n'était au pouvoir de personne de supprimer. On sait ce qu'il a fallu de prudence et de diplomatie pour aboutir non pas à un règlement définitif — ce qui n'était guère possible et ce qui, au surplus, n'était pas la mission du conseil — mais à un redressement d'une situation faussée à son origine et réservant l'avenir. Sous ce rapport du moins, le compromis qui est intervenu est heureux et ceux qui eurent la responsabilité de l'établir et de négocier l'accord des parties sur ses termes ont eu quelque mérite de ne pas avoir cédé à la nervosité générale et à la lassitude dans l'accomplissement d'une tâche aussi épineuse et aussi ingrate.

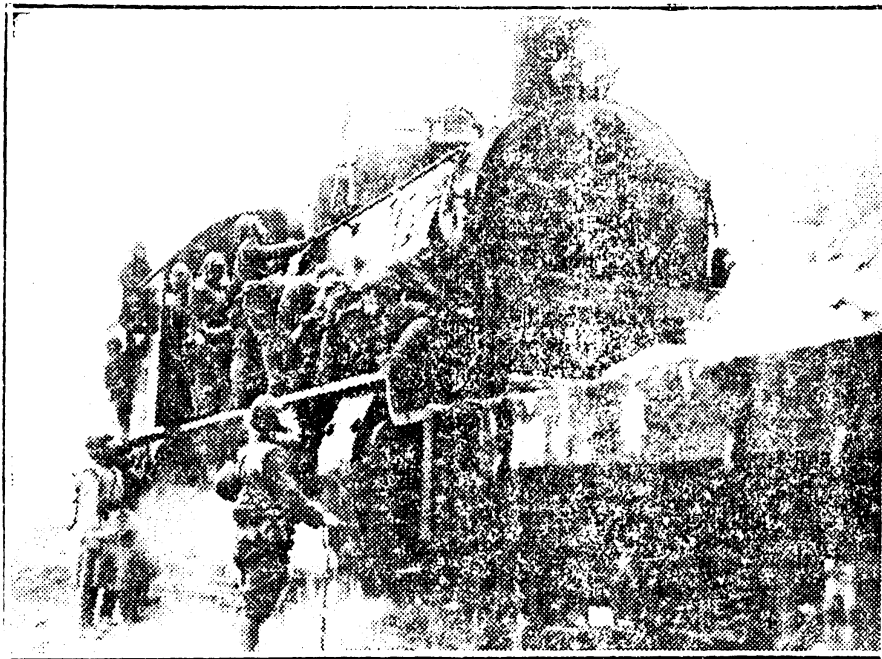
Enclosure No. 23 to Despatch No. 2086
of December 15, 1931.
From the Embassy at Paris.

Extract from L'HUMANITE, December 13, 1931.

La menace s'accuse contre l'U.R.S.S. et les Soviets chinois

L'IMPÉRIALISME JAPONAIS S'EST DONNÉ UN MINISTÈRE DE GUERRE A OUTRANCE

Des régiments chinois se mutinent en Mandchourie



La guerre continue en Mandchourie. Voici, sur notre cliché, des soldats japonais saisissant un train de vivres chinois se dirigeant sur Tsitsikar

Les événements qui se déroulent en Chine, en Mandchourie et au Japon méritent plus que jamais l'attention soutenue de la classe ouvrière.

A Shanghai, les étudiants révoltés contre le Kuomintang et soutenus par les ouvriers sont, en fait, presque maîtres de la vie politique de la ville. On prévoit la grève générale à Shanghai, Nankin et Pékin.

Les manifestations à Shanghai même ne se sont pas renouvelées, le maire de la ville ayant accepté les revendications des étudiants : notamment la lutte contre l'impérialisme et le renvoi du chef de la police.

Mais ils ont établi la censure sur les journaux chinois, et des étudiants, installés dans les salles de rédaction visent les articles et les éditoriaux, qu'ils n'hésitent pas à supprimer.

A Nankin, 6.000 étudiants parcourent sans cesse les rues de la capitale. Et l'on doit s'attendre à de graves événements. En effet, Tehang Kai Shek a fait voter par le gouvernement de Nankin une résolution condamnant les manifestations et la « capitulation » des autorités de Shanghai. Une enquête a été ordonnée qui sera effectuée par le commandant de la garnison. La sanglante canaille se prépare en outre à faire voter par la conférence nationale qui se réunira sous peu une disposition permettant la répression renforcée des manifestations dirigées con-

tre la politique de trahison du Kuomintang — à l'instar des généraux de Han-tseou qui fuirent par centaines les étudiants et étudiants communistes et les ouvriers révolutionnaires.

Mais les manifestations de Shanghai et Nankin sont le reflet de l'essor du mouvement révolutionnaire et antikuomintang des masses chinoises encouragées par les succès de l'armée rouge des soviets chinois qui se renforcent chaque jour davantage.

En Mandchourie, l'état-major japonais est toujours prêt à attaquer King-Tchéou.

D'après des renseignements de Moukden, il va auparavant envoyer un ultimatum de pure forme à Tehang Shue Liang. Ce dernier — qui prépare le terrain en sous-main — sera averti que « le Japon prendra des mesures énergiques si, dans un délai déterminé, il ne se retire pas derrière la grande muraille ».

Comme on voit, la résolution du conseil de la S.D.N. est interprétée comme il convient par les impérialistes de Tokio.

Au Nord, le gouvernement « autonome » du Heilong-Kiang s'installe à Tsitsikar pour favoriser les provocations contre l'Union Soviétique et le renforcement des bases militaires japonaises dans la région. Le général Ma — que la presse présentait comme un agent des Soviets — sera ministre de la guerre dans ce gouvernement aux ordres du Japon.

Pop 13

Enclosure No. 24 to Despatch No. 2086
of December 15, 1931.
From the Embassy at Paris.

Extract from LE POPULAIRE, December 13, 1931.

L'échec de la S.D.N.

En clôturant la session tenue à Paris par le Conseil de la Société des Nations, le président en exercice a prononcé un grand discours dans lequel il a « enregistré avec satisfaction le vote qui doit préparer, avec l'apaisement des esprits, la solution du fond des questions pendantes ». Parlant de la doctrine de la S. D. N., M. Briand rappela que le pacte de la S. D. N. n'autorise pas un Etat, quelque fondés que soient ses griefs à l'égard d'un autre Etat, à les faire prévaloir par d'autres méthodes que les méthodes pacifiques indiquées à l'article 12 du pacte.

An en croire M. Briand, la « doctrine de la S. D. N. » est sauvegardée par la résolution votée. Et tout en reconnaissant qu'il y a des « actes d'hostilité », il affirma que, grâce à l'action du Conseil « la guerre qui menaçait a été évitée ».

Je regrette de ne pas pouvoir partager la satisfaction des « milieux de la S. D. N. » en ce qui concerne l'action du Conseil. Je regrette encore davantage de ne pas pouvoir partager l'optimisme de certains camarades qui croient que l'honneur de la S. D. N. est sauf. Il faut donner aux choses leur véritable nom. Il ne sert à rien de camoufler un échec ou de vouloir créer des illusions.

Dans l'affaire de la Mandchourie, la S. D. N. a manqué à ses propres principes. Le Japon, a occupé la Mandchourie en violation flagrante des traités et des pactes. Il y est resté, il y reste malgré l'intervention de la S. D. N. Le Conseil n'ose même plus lui demander l'évacuation promise. La commission d'enquête désignée par le Conseil ne pourra qu'étudier la situation. Elle n'a pas le droit d'intervenir pour protéger la Chine. Le Japon s'est réservé expressément la liberté entière de prendre les mesures militaires qu'il jugera nécessaires pour combattre le « banditisme ». Et dès que les conditions climatiques le permettront, il pourra reprendre tranquillement la conquête définitive de la Mandchourie et de la Mongolie.

En disant cela je ne crois ni diminuer l'idée de la S. D. N., ni porter atteinte aux principes fondamentaux d'une organisation internationale des Nations. L'une et les autres nous sont chères à tous. Nous avons lutté et lutterons toujours pour le maintien d'un lien organique entre les puissances, pour le développement de cette organisation internationale, pour sa transformation en une véritable Société des Nations au profit de laquelle la souveraineté nationale de chaque Etat devra être de plus en plus limitée. Mais cela ne doit pas nous faire oublier d'abord, qu'en régime capitaliste, l'organisation internationale des Nations ne peut forcément être qu'incomplète, et ensuite, qu'à chaque moment, la S. D. N. n'est que l'expression de la volonté des gouvernements qui la composent. Aujourd'hui la S. D. N. n'est pas ce qu'elle était hier, quand l'Angleterre, par exemple, avait un gouvernement travailliste. Aujourd'hui la S. D. N. n'est pas ce qu'elle sera demain, quand le prolétariat exercera ou aura conquis le pouvoir dans les principaux pays de l'Europe.

En critiquant l'œuvre de la S. D. N. d'aujourd'hui, je ne crois donc pas desservir l'avenir. Au contraire.

La S. D. N. a failli à son devoir, qui est de maintenir la paix et de protéger les victimes contre les agresseurs. Elle a, en réalité, couvert l'invasion de la Mandchourie par les troupes japonaises.

A qui la faute ? Je ne m'arrêterai pas sur la responsabilité personnelle de tel ou tel homme d'Etat. Il va de soi qu'on pouvait demander davantage à l'homme qui s'est écrié un jour, du haut de la tribune de Genève : « Arrière les canons, arrière les mitrailleuses », qu'à un Lerroux, politi-

c'est de constater que les gouvernements capitalistes représentés au Conseil de la S. D. N. et qui ne cessent d'affirmer leurs intentions pacifiques, ne sont pas capables d'arrêter la guerre, dès que l'agresseur est un des leurs, un gouvernement impérialiste et militariste.

Le Covenant, le pacte Kellogg-Briand, la trêve des armements, l'approche de la Conférence du désarmement, tout s'en va en fumée, rien n'a plus de valeur, dès qu'un conflit se produit entre un Etat qui possède des droits impérialistes sur un autre Etat enchaîné par des traités inégaux. L'intérêt capitaliste prime tout.

Nous ne devons pas l'oublier. Ainsi nous pourrions plus justement fixer notre attitude vis-à-vis de la S. D. N. et, tout en exigeant d'elle une politique pacifiste, nous garder d'illusions fâcheuses.

O. ROSENFELD.

P. 13

Enclosure No. 24 to Despatch No. 2086
of December 15, 1931.
From the Embassy at Paris.

Extract from LE POPULAIRE, December 13, 1931.

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En disant cela je ne crois ni diminuer l'idée de la S. D. N., ni porter atteinte aux principes fondamentaux d'une organisation internationale des Nations. L'une et les autres nous sont chères à tous. Nous avons lutté et luttons encore pour elles.

La S. D. N. a fait à son devoir qui est de maintenir la paix et de protéger les victimes contre les agresseurs. Elle a, en réalité, couvert l'invasion de la Mandchourie par les troupes japonaises.

A qui la faute ? Je ne m'arrêterai pas sur la responsabilité personnelle de tel ou tel homme d'Etat. Il va de soi qu'on pouvait demander davantage à l'homme qui s'est écrié un jour, du haut de la tribune de Genève : « Arrière les canons, arrière les mitrailleuses », qu'à un Lerroux, politicien médiocre et bas intrigant. Mais l'affaire dépasse les personnalités. Je n'incrimine pas la volonté de paix de tel ou tel membre du Conseil de la S. D. N. Je veux bien croire à leur sincérité. Mais ce qui est important,

c'est de constater que les gouvernements capitalistes représentés au Conseil de la S. D. N. et qui ne cessent d'affirmer leurs intentions pacifiques, ne sont pas capables d'arrêter la guerre, dès que l'agresseur est un des leurs, un gouvernement impérialiste et militariste.

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Nous ne devons pas l'oublier. Ainsi nous pourrions plus justement fixer notre attitude vis-à-vis de la S. D. N. et, tout en exigeant d'elle une politique pacifiste, nous garder d'illusions fâcheuses.

O. ROSENFELD.

FIG. 14

Enclosure No. 25 to Despatch No. 2086
of December 15, 1931.
From the Embassy at Paris.

Extract from FIGARO, December 14, 1931.

La Société des Nations a-t-elle fait faillite ?

Par A. LEGENDRE

Il paraît que le conflit sino-japonais se trouve réglé par la résolution et déclaration du comité de la S. D. N. du 10 décembre. « Les résultats obtenus sont importants et une guerre menaçante a été évitée », a dit M. Briand. Faut-il s'étonner de pareille affirmation ? Non, il vaut mieux en rire, comme les augures eux-mêmes ont dû le faire. Mais le comité de la S. D. N. perdant, chaque jour, un peu de sa « face » devant l'opinion avertie, n'avait plus qu'un souci : donner l'illusion aux foules que les oracles de Genève ou de Paris sont gens sérieux qui ont bien défendu la cause de la paix. Or, ils n'ont même pas tenté un effort pour atténuer cette terrible guerre économique, si cruelle, que la faction de Nankin fait au Japon. Par ailleurs, quelle a été l'œuvre politique du Comité des Douze ?

Si l'on se réfère au texte de la résolution, on est tout de suite frappé de ce fait que, non seulement le Conseil de la S. D. N. n'a point réalisé un seul pas en avant vers la solution du problème, mais a sensiblement reculé, puisqu'il n'insiste plus sur le retrait des troupes japonaises à une date fixe comme celle du 16 novembre, largement dépassée. Il n'est même plus question de la zone neutre de Kin-Tchéou, qui avait tant intéressé le Comité comme porte de sortie à ses embarras. Il n'est pas question davantage du droit si légitime que s'est réservé le Japon de poursuivre les puissantes bandes de mercenaires déserteurs et de brigands bien armés qui écument le pays. Il a fallu que M. Yoshizawa fasse enregistrer cette réserve, ce droit qui est de toute nécessité dans la situation présente de la Mandchourie. La S. D. N. ne saurait donc esquiver toute responsabilité future, à ce sujet, malgré sa dérobade.

Que pense-t-elle aussi, la S. D. N., de toutes les réserves faites par le Dr Sze ? Et l'on vient nous parler de solution, d'accord réel. Oui, dans la contradiction !

Il y aurait eu aussi *unanimité* dans le conseil de la S. D. N. : oui, dans la confusion des faits, la diversité des principes ou des opinions des 13 augures du comité. Le beau résultat de trois mois de palabres !

Qu'observons-nous encore ? La S. D. N. continue de mettre sur le même pied une Chine anarchique, sans pouvoir central, et une nation hautement policée, le Japon, ayant un gouvernement fort. Son conseil insiste même, à nouveau, pour que la Chine, comme le Japon, « prennent toute mesure pour éviter de nouveaux conflits ». Pareille insistance révèle que la S. D. N. n'a pas encore compris ou admis que la faction de Nankin n'a aucun pouvoir réel en Chine, encore moins en Mandchourie. Ce sont les *Tang Pou* ou clans politiques irresponsables, ce sont les comités d'étudiants et les divers « généraux » ou chefs de bandes qui dictent leur loi au soi-disant gouvernement de Nankin. Quand même, la S. D. N. s'évertue à voir en Chine une autorité régulière, centrale, qu'elle oppose au Japon, la chargeant même de rétablir l'ordre en Mandchourie, alors qu'elle est incapable d'assurer la sécurité autour de Nankin. Et c'est sur *pareille équivoque* ou plutôt négation des réalités que le comité s'est appuyé pour conduire ses délibérations. Il n'a pas compris davantage que les divers

mouvements des troupes japonaises ne sont que des opérations de police contre des mercenaires débandés ou des hordes de brigands de plus en plus pullulantes. Aussi la S. D. N. s'est-elle grossièrement trompée lorsqu'elle a vu dans le Japonais, non un bon gendarme international en cette Mandchourie que guette Moscou, mais un agresseur se jetant sur le peuple chinois. C'est là l'erreur capitale de la S. D. N., celle qui lui vaut son échec total, ridicule.

Bien mieux : à aucun moment elle n'a paru se rendre compte qu'en s'efforçant d'arrêter les opérations de police du Japon, elle allait à l'encontre du but cherché, c'est-à-dire que, loin de rétablir la paix, elle favorisait mercenaires et brigands au détriment du gendarme, contribuant ainsi certainement à aggraver le désordre. Et même en soutenant ainsi la cause de Nankin, la S. D. N. pouvait provoquer une agression de grande envergure de la part de Tchang Kaï Chek, si soucieux de jouer au Tamerlan, amenant ainsi une violente riposte du Japon. Or, c'était la guerre, cette fois, la vraie. « Mais je ne l'ai pas voulu, cette guerre », aurait gémi trop tard la S. D. N. Car elle n'a ni plus ni moins que joué avec le feu ces trois derniers mois.

Quand même, le conseil et son président se sont accordés un « satisfecit ». Leur « face » d'abord ! S'imaginent-ils donc qu'elle est sauve, leur « face » ? Mais c'est l'écroulement de tout ce prestige si vague, mais réel, que la S. D. N. avait en Asie et ailleurs. Toute la Chine, en particulier, celle qui peine et subit une si dure tyrannie, espérait que le fameux Conseil des Douze, en donnant une sévère leçon à la faction de Nankin, allégerait ses souffrances, sa misère surtout. Mais pas un geste n'a été fait par ce conseil pour amorcer une entente des puissances qui mettrait fin à une sanglante anarchie. Bien au contraire, la S. D. N. a contribué à entretenir la fiction d'un gouvernement réel en Chine, ce en quoi sa responsabilité est lourde. Quant à la faction de Nankin, l'enfant gâté du secrétariat de la S. D. N., elle pousse les hauts cris par ses comités, se déclare dupée par la S. D. N. Aussi, M. Briand, qualifié, en octobre, de dieu de la Paix, de vrai Bouddha par Tchang Kaï Chek, et sur l'« illumination » duquel toute la Jeune-Chine comptait en raison de sa partialité première à Genève, sans oublier celle du secrétariat, M. Briand, aujourd'hui, est envoyé à tous les diables de l'enfer bouddhique. C'est la désolation de la désolation dans tout le Kouo Ming Tang, et c'est la malédiction lancée sur le conseil de la S. D. N. Et dans quels termes ! Quel riche vocabulaire ! Je le connais si bien !

En conclusion, si de graves complications ne se sont pas produites, nous le devons au Japon, à son sang-froid, à sa patience ; nous le devons aussi aux Etats-Unis, qui, cette fois, ont été très sages après avoir commis tant d'erreurs en Extrême-Orient.

Quant à la valeur pratique de la « résolution » et « déclaration » de la S. D. N., c'est le néant, une illusion de plus jetée en pâture aux foules.

Il est, toutefois, un enseignement à tirer de pareille stérilité : c'est que les affaires de ce monde ne sauraient continuer à être traitées avec cette légèreté, cette ignorance ou incompréhension des faits essentiels de questions vitales. Conflit exceptionnel, dit-on de l'affaire mandchoue. En quoi donc exceptionnel, si ce n'est par l'incompétence d'augures qui ignorent tout de l'âme asiatique et de ses réactions ?

Aussi, dans ce conflit, complète, indéniable a été la faillite de la Société des Nations. Si elle n'est réorganisée avec de vraies compétences, ce n'est plus qu'une formation parasitaire, dangereuse pour la paix. Et dire qu'il y a eu un journal du soir pour entonner un *hosannah* à la gloire de son conseil !

D^r A. Legendre.

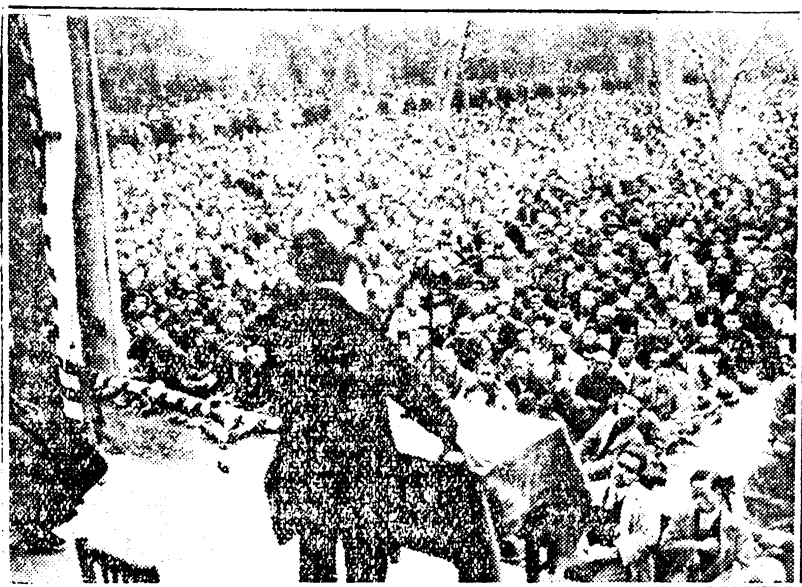
Enclosure No. 26 to Despatch No. 2086
of December 15, 1931.
From the Embassy at Paris.

Extract from L'HUMANITE, December 14, 1931.

Avec l'appui de la S. D. N. et des social-fascistes

LA GUERRE CONTINUE EN EXTRÊME-ORIENT ET LES MASSES LABORIEUSES SE DRESSENT CONTRE L'IMPÉRIALISME

*L'anniversaire de la Commune de Canton
doit être pour nous l'occasion de redoubler
d'ardeur dans la lutte pour la défense de la Révolution*



A Tokio, aujourd'hui, comme devant la statue de Strasbourg, à Paris, en 1914, les patriotes avec la peau des autres, ceux qui ne partent pas, bourrent les crânes...

Nous ne saurions renouveler avec trop d'insistance auprès de nos camarades la recommandation que nous formulons ici même il y a quelques jours.

A aucun prix le silence de la presse sur la guerre mandchoue et les réso-

et son président Briand qui l'ont investi de ce mandat, et il n'est pas douteux qu'il l'accomplisse sans hésitation.

Plaidoyer social-impérialiste

Aussi bien, le premier événement survenu en Extrême-Orient depuis la session de la Ligue ne laisse pas d'être symptomatique. A Tokio, ce sont les partisans de la guerre à outrance qui viennent de s'installer au pouvoir. Leur programme est celui du baron Tanaka, et, comme par hasard, ils ont désigné comme chef de leur politique extérieure M. Yokishawa, c'est-à-dire le diplomate qui, avec M. Briand, a préparé à Paris la monstrueuse résolution du 16 décembre.

Cette résolution, disons-le en passant, ne laisse pas de gêner terriblement les adulateurs socialistes de la S. D. N. Le *Populaire* a attendu trois jours avant de commenter les décisions du Conseil. Timidement, — comme on rédige un pensum, — son chroniqueur étranger nous exposa, hier, sa « pensée » sur « l'échec » de la S. D. N. Et voici ses observations essentielles :

1^{re} « Dans l'affaire de Mandchourie, la S. D. N. a manqué à ses propres principes. »

Mais quels sont, au juste, les principes de la S. D. N. ? Oui ou non, son pacte n'est-il pas une création des auteurs du Traité de Versailles ? Ne fait-il point partie intégrante des traités imposés en 1919 par les vainqueurs ? La Ligue n'a-t-elle pas été toujours l'instrument des puissances victorieuses ? N'est-elle point faite à leur image, à leur service ?

Parce que le manteau somptueux dont elle entourait ses sales opérations s'est brusquement déchiré, on voudrait nous faire croire qu'il ne s'agit là que d'un accident. La Ligue aurait failli, mais sa doctrine, ses « principes » demeureraient intacts. Nous ne nous élèverons jamais assez vigoureusement contre cette interprétation.



... et les cadavres des malheureux qui, « croyant mourir pour la patrie, sont morts pour des cotres-forts », sont entassés dans des charrettes, en gare d'Anganchi

lutions prises jendi par le Conseil de la Société des Nations ne peuvent excuser un relâchement de notre vigilance.

La guerre est encore à l'ordre du jour. Bien mieux, l'impérialisme japonais qui jouissait jusqu'à présent de l'appui facile et clandestin des grandes puissances — de la France en particulier — bénéficie aujourd'hui de leur soutien ouvert, consacré, officiel. Il a été solennellement désigné comme le mandataire de la « civilisation capitaliste » contre la Révolution. C'est la Société des Nations

La S. D. N. n'a jamais cessé d'être aux ordres des puissances impérialistes. Voyez Vilna! Voyons Corfou! Voyez la Haute-Silésie! Elle s'est, dans l'affaire sino-japonaise, scrupuleusement conformée à ses principes et à sa jurisprudence; elle est demeurée fidèle à elle-même. Il n'y a pas une bonne Société des Nations et une mauvaise révolution sino-japonaise: il y a une Société des Nations, instrument des rapines impérialistes et d'intrigues antisoviétiques. Et c'est elle que doivent combattre de toute leur énergie les travailleurs attachés à la paix.

Au secours de la S.D.N.

2^e Le Japon, précise le *Populaire*, « a occupé la Mandchourie en violation flagrante des traités et des pactes, il y est resté, il y reste, malgré l'intervention de la S. D. N. »

En violation des traités? C'est bien possible. Mais à quels traités fait-on allusion? Depuis le début du siècle, l'impérialisme japonais a imposé une série de traités qui préparaient sa pénétration et sa conquête. Il eut donc suffi que, par un tour de passe-passe, le Japon rît la légalité de son côté pour que le *Populaire* s'inclinât devant le brigandage. L'aveu socialfasciste est à retenir. Il n'est point fait pour nous étonner. Il y a eu, à Londres, naguère, un gouvernement socialiste. Ce gouvernement n'a pas touché à un seul des traités inégaux imposés par l'impérialisme britannique. La seule puissance qui ait détruit ces traités, c'est l'Union des Républiques Soviétiques.

Le Japon, nous dit-on, est demeuré en Mandchourie « malgré l'intervention de la S. D. N. »

Quelle intervention? Où? Quand? Comment? La S. D. N. s'est-elle opposée à la conquête? La seule résolution genevoise qui faisait allusion à des délais d'évacuation laissait, par ailleurs, tant de liberté d'action au Japon que sitôt la résolution votée, les troupes japonaises ont étendu leur zone d'occupation.

Malgré l'intervention de la S.D.N.? De qui se moque-t-on? Non seulement la S. D. N. a favorisé l'invasion, mais son président est le membre d'un gouvernement dont les officiers recrutent une armée de volontaires pour l'Extrême-Orient, et dont l'Amirauté décide d'envoyer le *Béarn* et le *Primauguet* dans les eaux chinoises.

Et voici enfin la conclusion: « Nous avons lutté et lutterons toujours pour le développement de cette organisation internationale. L'idée de la Société des Nations, ses principes fondamentaux nous sont chers à tous! »

Ainsi, la Société des Nations a donné son appui total et ouvert aux agresseurs japonais; entre chacune de ses sessions, ceux-ci ont étendu leurs conquêtes et celle-là s'est un peu plus dépouillée de ses détroques. Un ministère de bellicistes forcenés se constitue grâce à elle à Tokio, et le *Populaire* s'écrie: « La S. D. N. nous est chère à tous, nous lutterons toujours pour elle! »

Il est difficile, croyons-nous, d'afficher avec plus d'impudence sa volonté d'enchaîner le prolétariat au char de l'impérialisme.

Remercions le *Populaire* de son franc parler, et ne manquons pas de solliciter sur ses conclusions l'attention des ouvriers socialistes.

Une phase nouvelle de la guerre

Ce qui est certain, en tout état de cause, c'est que la guerre extrême-orientale est entrée, depuis quelques jours, dans une étape nouvelle dont il est nécessaire de souligner les caractéristiques, si nous ne voulons pas être pris au dépourvu.

D'une part, ainsi qu'il a été dit plus haut, le Japon est devenu désormais l'agent officiel des grandes puissances impérialistes en Extrême-Orient, le représentant accrédité de la Société des Nations de proie dans la lutte armée contre l'U. R. S. S. et les Soviets chinois.

D'autre part, l'intervention de l'impérialisme français se fera dans les jours qui viennent plus directe et plus précise. Il est acquis, d'ores et

déjà, que la Commission de la S. D. N. sera présidée par un Français et, très probablement, par un général français. Cette commission ne sera pas seule à faire le voyage. Une unité navale a reçu l'ordre de départ et des forces militaires sont alertées.

Si l'on nourrissait le moindre doute à cet égard, il faudrait lire l'article que consacre aux événements de Mandchourie le dernier numéro de la *Revue d'Etudes Militaires* (revue didactique à l'usage des officiers). Voici en quels termes cette importante publication justifie l'occupation japonaise:

« Depuis 1900 ne voit-on pas en permanence, sur certains points vitaux de ce territoire, des contingents européens? La France y entretient, à Tien-Tsin et à Chungkat, l'équivalent d'une brigade blanche et ammanille avec de l'artillerie et des chars de combat. Confinées dans les concessions françaises, ces troupes n'hésiteraient sans doute pas à en sortir s'il le fallait pour la protection de nos intérêts nationaux ».

Et encore:

« L'Asie n'absorbera pas l'Europe. Mais les Soviets, son avant-garde ne risquent-ils pas d'être les fourriers d'une autre invasion asiatique? Il leur faudrait d'abord conquérir la Chine. Ils y ont échoué, et le Japon, précisément, les empêchera toujours d'y réussir. Le Japon est en Mandchourie comme nous sommes au Maroc ».

La révolte des masses japonaises et chinoise

Enfin, l'étape actuelle de la guerre sera marquée par un développement impétueux de l'action des masses ouvrières du Japon et de la Chine.

Au Japon, les grèves se multiplient. Des centaines de militants ouvriers sont emprisonnés et la propagande communiste gagne les rangs de l'armée impériale.

En Chine, dans cette période anniversaire de la glorieuse insurrection de Canton, ouvriers et étudiants s'insurgent contre la politique du Kuomintang. A Shanghai, de véritables combats de rues se sont déroulés ces jours-ci. Les étudiants révoltés ont occupé de force des postes de police. Et dans le même temps, l'Armée Rouge chinoise mit en déroute les troupes de Chang Kai Shek.

Il nous faut suivre avec la plus diligente attention cet aspect des événements, c'est-à-dire que, de toutes nos forces, il nous faudra soutenir ceux qui luttent contre la guerre sur le secteur le plus dangereux du combat.

Que l'anniversaire prochain de l'insurrection de Canton soit pour nous l'occasion de faire rebondir notre campagne, de populariser l'œuvre des Soviets chinois, d'affaiblir notre impérialisme suivant la bonne et efficace méthode que nous recommande le Manifeste du Comité Central de notre Parti.

Gabriel PERI.

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

MET

CORRECTED COPY
FROM

COPIES SENT TO
O.N.I. AND M.I.D.

GRAY

Peiping via N.R.

Dated December 23, 1931

Rec'd 9:05 a.m.

Secretary of State,

Washington

1122, December 23, 4 p.m.

Following from Military Attaches Chinchow:

"December 22, noon. Interviewed General Jung Chen.

He expressed following views of general situation his area:

"Japanese activities in vicinity Yingkow and Tungliao indicate their intention to occupy Yingkow - Kaopangtza - Tahushan - Tungliao Railroad line. Japanese will claim bandit activities force this step. True reason is economic. Occupation will be to prevent further use of these lines by China. No additional troops received in Chinchow area. Forces occupy towns previously reported. No movements of units contemplated ~~except~~ to resist Japanese advance or unless ordered by higher authority to retreat. Expect definite diplomatic or military action by Japanese in near future." Believed above quotation largely propaganda. Purpose of Chinese to keep neutral observer in Chinchow".

JOHNSON

793.94/3306

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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

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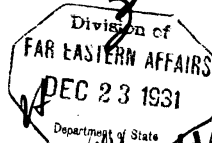
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JOHNSON

RR-WSB



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793.94/3306

DEC 28 1931
FILED

TELEGRAM RECEIVED

Paraphrase
COPIES SENT TO
O.N.I. AND I.A.I.D.

MET

CORRECTED COPY
FROM

This telegram must be
closely paraphrased be-
fore being communicated
to anyone.

Peiping

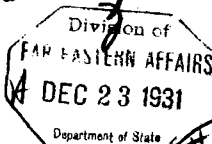
Dated December 23, 1931

Secretary of State,

Rec'd 6:44 a.m.

Washington

*Telegram to
Geneva*
1125, December 23, 7 p.m. DEC 23 1931



Following from American Consul at Dairen:

"December 22, 4 p.m.

Military authorities here are commandeering motor
trucks on a large scale and shipping them north".

Following from American Consul General at Mukden:

"December 22, 10 p.m.

This afternoon truckloads of boxes marked shrapnel
were seen on the way to the railway. This, taken in con-
junction with Dairen Consul's report of large scale com-
mandeering motor trucks and their shipment northward, indi-
cates that anticipated westward drive of Japanese troops
is imminent".

JOHNSON

HPD_KLP

793.94/3307

DEC 28 1931

TELEGRAM RECEIVED

MET

Peiping

This telegram must be
closely paraphrased be-
fore being communicated
to anyone.

FROM

Dated December 23, 1931

Rec'd 6:44 a.m.

Secretary of State,

Washington

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were seen on the way (?) railway. This, taken in conjunction
with Dairen Consul's report of large scale commandeering
motor trucks and their shipment northward, indicates that
anticipated westward drive of Japanese troops is imminent".

JOHNSON

HPD_KLP

*See corrected copy
12/23/31*

F/LS 793.94/3307

1511

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

Paraphrase

Telegram dated December 23, 1931, from Peiping,
reads substantially as follows:

The American Consul at Dairen reports under date
December 22 that motor trucks in large numbers have
been seized and are being shipped north by the
Japanese military.

The American Consul General at Mukden reports
under date December 23 that there are indications
that the impending westward drive of Japanese troops
is imminent and that truck loads of cases labeled
shrapnel were being sent to the railway on the
afternoon of December 22.

JOHNSON

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

1-128
PREPARING OFFICE
WILL INDICATE WHETHER

Collect
Charge Department
OR

Charge to
\$

TELEGRAM SENT

Department of State

TO BE TRANSMITTED
CONFIDENTIAL CODE
NONCONFIDENTIAL CODE
PLAIN

1931 DEC-23 PM

Washington,
December 23, 1931.

RECEIVED
1931 DEC 23 PM
OFFICE OF THE SECRETARY OF STATE

6P

AMERICAN CONSUL

GENEVA (Switzerland).

141
CONFIDENTIAL FOR GILBERT

793.94/3307
One. Under date December 20/3250 the American Legation at Peiping telegraphed the text of a Reuter report from Tokyo, dated December 19, reading in part as follows:

QUOTE Reports from Mukden that the Japanese are preparing to deliver an ultimatum to Marshal Chang Hsueh-liang to withdraw from Chinchow area virtually confirmed in authoritative quarters. It is understood that the Japanese Government is sending one warning to Marshal Chang through the Peiping Legation while General Honjo will send a similar warning direct to General Jung Chen, Marshal Chang's Chief of Staff. The warnings would demand withdrawal inside the Great Wall within a stipulated time. END QUOTE.

Two. Under date December 23/3303 the American Legation at Peiping transmits the text of a Reuter report from Tokyo, dated December 22, stating that the Japanese war office on the afternoon of December 22 issued a

Enciphered by

statement

Sent by operator M., 19.....

Index Bu.—No. 80.

U. S. GOVERNMENT PRINTING OFFICE: 1929 1-128

793.94/3307

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

1-138
PREPARING OFFICE
WILL INDICATE WHETHER

Collect
Charge Department
OR

Charge to
\$

TELEGRAM SENT

Department of State

1-138
TO BE TRANSMITTED
CONFIDENTIAL CODE
NONCONFIDENTIAL CODE
PLAIN

Washington,

- 2 -

statement to the press expressing regret that the Japanese army is compelled to launch drastic operations against bandits and asserting that the requirements of self-defense necessitate taking action.

Three. Under date December 23³³⁰⁷ the American Legation at Peiping transmits the text of a telegram, dated December 22, from the American Consul at Dairen, reporting that motor trucks are being seized and are being shipped north by the military authorities at that place. The Legation reports also that under date December 22 the American Consul General at Mukden ^{in large numbers} ~~states~~ ^{telegraphs} that there are indications that the westward drive of Japanese troops is imminent. The Consul General reports that on the afternoon of December 22 truck loads of cases marked shrapnel were being sent to the railway. ³³⁰⁶

Four. In a telegram under date December 23 the American Legation at Peiping quotes a telegram of December 22 from the military attachés at Chinchow giving the views of General Jung Chen as follows:

QUOTE Japanese activities in vicinity Yingkow and Tungliao indicate their intention to occupy Yingkow -

Kaopangtz~~e~~ - Tahushan - Tungliao Railroad line. Japanese

Enciphered by

Sent by operator

M.,

19.....

Will

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DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

1-138
PREPARING OFFICE
WILL INDICATE WHETHER

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Charge Department
OR
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TELEGRAM SENT

1-138

TO BE TRANSMITTED
CONFIDENTIAL CODE
NONCONFIDENTIAL CODE
PLAIN

Department of State

Washington,

- 3 -

will claim bandit activities force ~~this~~ this step. *m.m.h.*

True reason is economic. Occupation will be to prevent further use of these lines by China. No additional troops received in Chinchow area. Forces occupy towns previously reported. No movements of units contemplated except to resist Japanese advance or unless ordered by higher authority to retreat. Expect definite diplomatic or military action by Japanese in near future. UNQUOTE.

*Five. Inform Drummond, confidential m.m.h.
as to source.*

Stinson

m.m.h.
FE:MMH/VDM FE

Enciphered by

Sent by operator M., 19.....

Index Bu.—No. 50.

U. S. GOVERNMENT PRINTING OFFICE: 1955 1-138

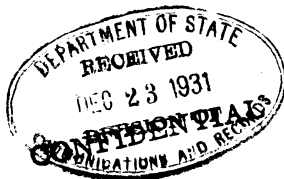
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U. S. GOVERNMENT PRINTING OFFICE 1-1433

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Department of State letter, August 10, 1972
By Milton O. Lustig NARS, Date 12-18-75



CONFIDENTIAL
DEPARTMENT OF STATE
THE SECRETARY

Division of
FAR EASTERN AFFAIRS
DEC 23 1931
Department of State
December 22, 1931.

MEMORANDUM OF CONVERSATION BETWEEN SECRETARY STIMSON
AND MR. PAUL CLAUDEL, THE FRENCH AMBASSADOR.

Manchuria.

79 94
The French Ambassador came to see me to bring me the substance of a telegram which he had received from M. Briand in respect to the situation in Manchuria. The Ambassador said that in the first place the telegram set out the conference of the three military attachés, representing France, Great Britain and America, with General Honjo on December 20th. I told the Ambassador that I had a report from our Military Attaché on the same subject. The French Ambassador then said the telegram recited that M. Briand had sent a message through the French Ambassador in Tokyo to the Japanese Government, and the message to the Ambassador was in substance as follows: I suppose that your British and American colleagues will have information about the conference of the Attachés with General Honjo. The reports are most disquieting and seem to show that the Japanese High Command has made up its mind to get rid of the Young Marshal Chang Hsueh-liang and is going further than

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FILED

JAN 6 1932

DEPARTMENT OF STATE

THE SECRETARY

-2-

than the mere consideration of measures of security to protect Japanese nationals. He is evidently determined to make a large military movement against Chinchow, the political aspect of which is very clear since it has been conditioned upon the failure of regular negotiations between the two governments - China and Japan. Under these circumstances it is very important to call the attention of the Japanese Cabinet to the intentions of the Japanese Military Command in Manchuria and to tell them that the operation against Chinchow would very gravely compromise the conciliatory efforts of the Council of the League of Nations. After the passage of the Resolution of December 10 and until the investigating commission has been nominated, it is indispensable that the Japanese Government should measure with the greatest care its responsibilities and its moral obligations in order that it may justify by the wisdom of its decisions the confidence which has been placed in it by the Council.

M. Briand ended the message with directions to the French Ambassador in Tokyo to make these representations without waiting for the representatives of the other powers.

HLS.

S:HLS:HHR:VGN

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

MET

GREEN

FROM

Geneva

Dated December 23, 1931

Rec'd 12:50 p.m.

Secretary of State,

Washington

320, December 23, noon.

Drummond has handed to me for communication to you
the following message dated December 21st from the British
representative on the Council:

"British Military Attache reported from Tsitsihar
December 19th that General Ma's military and civil officials
and commercial Chinese all stated that they would fight to
save Manchuria if League failed. Weather appears too cold
for serious Japanese military action.

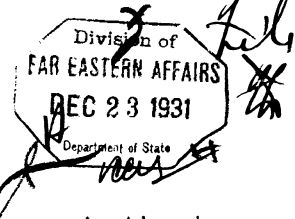
Chinese troop dispositions unaltered except for one
independent infantry regiment at Linttien.

H. M. Consul at Nanchwang reported December 16th
arrival there of 500 additional Japanese troops from Liaoyang
and that another similar number was expected".

This information to be regarded as confidential.

GILBERT

WSB



F/LS 793.94/3310

FILED

793.94

894.23

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

793.94/3310A

CANCELLED

SEE 793.94-COMMISSION/12A

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

793.94/3310B

CANCELLED

SEE 793.94-COMMISSION/9A

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

793.94/3310 C

TRANSFERRED TO 793.94 COMMISSION/ IIA

1522

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Lustigsm NARS, Date 12-18-75

1-138
PREPARING OFFICE
WILL INDICATE WHETHER

Collect
Charge Department
OR

Charge to
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TELEGRAM SENT

Department of State
RECEIVED

1-138
TO BE TRANSMITTED
CONFIDENTIAL CODE
NONCONFIDENTIAL CODE
PLAIN

Washington,

1931 DEC-22 PM 9:13 December 22, 1931.

AMEMBASSY,

TOKYO (JAPAN).

CONFIDENTIAL TO THE AMBASSADOR

One. Please reread my 240, November 23, 7 p.m., 259,
December 8, 11 a.m., paragraph two, and my 262, December 11,
9 p.m., last two paragraphs.

Two. Both news despatches and reports from a variety
of official sources indicate that the Japanese authorities
are making definite plans directed toward forcing the
Chinese to withdraw south of the Wall, contemplating, if
necessary, resort to hostilities against the Chinese regu-
lar forces in ^{the Chinchow} ~~that~~ vicinity to accomplish that objective.

The French Ambassador has informed me that M. Briand
has instructed the French Ambassador in Tokyo to make
representations to the Japanese Government in connection
with this situation and urge upon the Japanese Government
that it measure with the greatest care its responsibilities
and obligations under the resolution of the Council of
December 10 and to point out that military operations
against Chinchow would compromise the conciliatory efforts

Enciphered by

Sent by operator M., 19.....

Index Bu.—No. 50.

U. S. GOVERNMENT PRINTING OFFICE: 1929 1-138

793.94/3310d

12945c

13123a

3178c

793.94/3310D

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Lustigsm NARS, Date 12-18-75

TELEGRAM SENT

Department of State

1-138
PREPARING OFFICE
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TO BE TRANSMITTED

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NONCONFIDENTIAL CODE

PLAIN

Washington,

- 2 -

of the Council of the League.

Three. Please call on the Minister for Foreign Affairs and express my solicitous concern. You should read to him and leave with him a statement as follows: *on my behalf* *HVS*
QUOTE ~~in the past~~ *News* despatches and reports from *are to the effect* *HVS*
a variety of official sources, ~~I am forced to believe~~ *HVS*
that responsible Japanese authorities are seriously contemplating action in connection with the continued presence of the regular Chinese military forces at and south of Chinchow in Manchuria, measures which, if followed through to their logical conclusion, would in all probability lead to renewal of armed hostilities. In the presence of these reports, I feel called upon, as a part of friendship, again frankly to convey to the Japanese Government expression of my apprehension. ~~Further,~~ *On* the basis of reports made by military observers of several nationalities on the spot, including our regular American military attachés, I ~~do not~~ *no doubt* find evidence that the Chinese have engaged in or are preparing for any offensive military movement.

My position with regard to this matter has been made known to the Japanese Government both through the Japanese

Enciphered by

Sent by operator M.,, 19.....

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

1-138
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Department of State

1-138

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PLAIN

Washington,

- 3 -

Ambassador in Washington and through the American Ambassador in Tokyo. The position of the Council of the League with regard to the whole question of further hostilities in Manchuria, along with other matters, is definitely recorded in the resolution of the Council of December 10, which resolution was approved by all members of the Council, including the Chinese and the Japanese representatives. The position of the American Government has been indicated by its express approval of the substance and the letter of that resolution. This approval ^{was definitely} ~~is being~~ recorded in ^{my} ~~the~~ public statement of ~~the Secretary~~ ^{of State} of December 10. In that statement, ~~the Secretary~~ ^{of State}, after outlining and commenting upon the provisions of the resolution, including the provision for cessation of hostilities, ^{SUB} said: QUOTE The future efficacy of the Resolution depends upon the good faith with which the pledge against renewed hostilities is carried out by both parties and the spirit in which its provisions directed toward an ultimate solution are availed of. ^{END SUB} UNQUOTE. ^{was}

I cannot emphasize too strongly the view therein expressed. I feel that news of ^{new} an attack by Japanese armed

Enciphered by

Sent by operator M., 19.....

1525

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

1-138
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Department of State

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TO BE TRANSMITTED
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PLAIN

Washington,

- 4 -

forces 'in Manchuria' upon 'Chinese regular' armed forces 'would have 'a most 'unfortunate' effect on 'world 'opinion.' I feel 'that it 'would be regarded 'as 'unwarranted' and 'would be 'interpreted as 'indicative 'of 'indifference' to obligations 'assumed' in the 'resolution 'of the 'Council of 'December 10 'and obligations 'of 'long standing' in 'various' treaties 'to which 'Japan 'and China, 'as well as 'the United States, 'are 'parties. *END QUOTE.*

Gustafson

FE:SKH

S CBS

Enciphered by

Sent by operator M., 19.....

Index Bu.—No. 50.

U. S. GOVERNMENT PRINTING OFFICE: 1959 1-138

1526

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

1-128
PREPARING OFFICE
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Department of State

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NONCONFIDENTIAL CODE
PLAIN

1931 DEC-23-11 Washington
December 23, 1931.
DEPARTMENT OF STATE
DIVISION OF
COMMUNICATIONS & RECORDS
4P

AMEMBASSY,
TOKYO (Japan).

274
793.94/33102
Reference Department's 273/3178c, December 22, 9 p.m.
Telegraph Peiping full text of statement in para-
graph three.

Spinson
42/1

793.94/331CD SUPPLEMENTAL

OK
42/1
1931 DEC 23

FE:SKH/ZMF
Enciphered by _____
Sent by operator _____ M., _____, 19____

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DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

793.94/ 3311

TRANSFERRED TO 793.94 COMMISSION/ 12

529
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

DOCUMENT FILE

NOTE

SEE 893.00/11687 FOR Tel.#131-11 pm

FROM Hanking (Peck) DATED Dec. 22, 1931
TO NAME 1-1127 070

REGARDING: Impending Japanese attack on Chinchow: National
Government of China is considered unable to deal
with a crisis of this kind. Further - .
(Copy attached)

fig

793.94/3312

MET

GRAY

Nanking

Dated December 22, 1931

Rec'd 2:40 p.m.

Secretary of State,

Washington

131, December 22, 11 p.m.

CONFIDENTIAL.

One. The Fourth Central Executive Committee held opening ceremonies this morning and a preparatory session this afternoon. I am reliably informed that the only appointment definitely decided is that of Sun Fo to be President of the Executive Yuan. Under the proposed changes in the organic law of the National Government he will be substantially Prime Minister, and will the heads of the various (*). Presumably C. C. Wu will be Minister of Foreign Affairs. The office of President of the National Government will be divested of actual authority.

Two. Earlier report of the departure of General Chiang Kai Shek was erroneous but he and Wellington Koo both left Nanking today and the National Government has practically ceased to function having surrendered its responsibility to the Central Executive Committee. Resignation of Soong

Minister of

MET

2-#131 from Nanking, December 22,
1931

Minister of Finance has not been accepted but he is in Shanghai apparently indifferent to the course of events. Nevertheless, just before the resignation of Chiang Kai Shek on December 15th three of the latter's military adherents were appointed to head the Provincial Governments of Kiangsu, Chekiang and Kiangsi and it seems certain that Chiang and Soong can take effective military control of the Nanking-Shanghai area whenever they desire to exercise it.

Three. The National Government is considered unable to deal with a crisis like the impending Japanese attack on Chinchow. The conviction seems universal, however, that neither Chang Hsueh Liang nor any Central Government could survive the popular opposition which would be aroused by a proposal to surrender that area without (*).

Legation informed.

PECK

WSB-CSB

(*) omissions.

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

DEPARTMENT OF STATE
DIVISION OF FAR EASTERN AFFAIRS

December 21, 1931.

MANCHURIA SITUATION

Chinchow Problem

Reference is made to this Division's memoranda of December 15 and 16 and to Nanking's December 21, 3 p.m. and to Peiping's 1114, December 21, 9 p.m. and to memorandum of conversation with Mr. Hawkling Yen of December 21, copies attached.

It is now almost conclusively established that the Japanese intend to drive the Chinese south of the Wall -- either by process of intimidation or by actual use of force.

We are confronted with the question: Shall this Government take any further action, in the premises, at this stage with regard to Chinchow?

On December 10, the Secretary of State made public his views with regard to the action taken by the League as expressed in the Resolution of December 10. The Secretary's statement ended with a paragraph which may be regarded as fully declarative of our position. There will be occasion frequently, as the situation in Manchuria further unfolds, to refer to that paragraph.

In

F/DEW 793.94/3313

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MAY 1 1934

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In FE's memorandum of December 15, it was pointed out that, with a Japanese attack upon Chinchow imminent, there would seem to be one further step which we might take before that attack actually develops:

"We might inform the Japanese, either through their Ambassador here or through our Ambassador in Tokyo, that, continuing of the opinion that a Japanese attack on Chinchow would be unwarranted and indefensible, we would feel ourselves, in the event of such an attack, under the necessity of publicly expressing our disapproval of Japan's course."

Further, it was stated:

"It is our view that further action with regard to Chinchow, if taken, either before or after a Japanese attack, should be taken only by the powers collectively and might best be left to the initiative, real or apparent, of the Council of the League."

The Council of the League has given no indication of interest, concern or intention.

In the interval, news stories have featured the fact of the special interest and apprehension of the Department of State with regard to the Chinchow question. The NEW YORK HERALD-TRIBUNE has this morning run an editorial falsely

- 3 -

stating that the Chinese made definite promises to withdraw from Chinchow and that Mr. Dawes made himself the conveyor of these promises from the Chinese to the Japanese at Paris.

Today, our Minister to China reports that Wellington Koo has asked him whether there is anything that the American Government can do to forestall an attack on Chinchow by Japan. The Chinese Chargé here has come to the Department reporting that his Government understands definitely that the Japanese intend to attack Chinchow and asks whether we can do anything about the matter. (NOTE: The Chief of the Division of Far Eastern Affairs has stated to the Chargé that, if the Japanese are determined to make this attack, it is obvious that no force can be interposed to prevent their doing so.)

There is therefore before us the question: Do we wish to say anything at this time to the Japanese and/or to the world on this subject? It is evident that if we do, we should do it soon.

In view of the confusion which has been created in the public mind with regard to action taken, as well as with regard to action not taken, by the Department and its representatives on and since December 10 with regard to this matter, it is believed that for purposes of record and for purposes of clarification, carefully safeguarded further action in the immediate future is desirable. It is suggested that this action take the form of a further

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DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

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conversation between the Secretary and the Japanese Ambassador and a further conversation, under instruction, between Ambassador Forbes and the Japanese Premier-Secretary for Foreign Affairs. It is believed that special mention might be made in both conversations of the responsibility falsely attributed by the NEW YORK HERALD-TRIBUNE to this Government in connection with the alleged promises of the Chinese to withdraw from Chinchow, that renewed expression might be given to our view that a Japanese advance upon Chinchow will be unwarranted and that an armed encounter at Chinchow in consequence of such an advance would meet with the moral disapproval of the world and be regarded as a violation of the provision made in the Resolution of the League of December 10 that the disputants shall refrain from further hostilities. (NOTE: It is believed that, if and when this is done, the Press should be told only that we have again gone on record).

Smith

FE:SKH/ZMF:REK

DEPARTMENT OF STATE
DIVISION OF FAR EASTERN AFFAIRS

December 21, 1931.

Conversation.

Dr. Hawklings Yen, Chinese Chargé,

Mr. Hornbeck.

Subject: Chinchow Situation.

Dr. Yen came by appointment made at his request.

He stated that he had a telegram from his Government stating that they were definitely informed that Japan intends, unless the Chinese evacuate, to attack Chinchow. He said they were informing our Minister at Nanking and the League of Nations. They wondered whether there was anything that we could and would do about the matter.

I asked Dr. Yen what he would suggest that we could do. He said that it would seem to him that we might protest. I asked him whether he meant protest in anticipation of or protest after an attack, if intended, had been made. (He said that he meant in anticipation of. I said that we were already publicly on record with regard to the matter.) He said that the expression of the Secretary of State's views at the time when the Japanese troops were moving toward Chinchow a few weeks ago had resulted in the halting and withdrawal of those troops and he thought that a similar expression might again have the same effect. I pointed out that in the interval the Council of the League had adopted the Resolution of December 10 and the Secretary of State has expressed

F/DEW 793.94/3314

OTDMD

- 2 -

expressed his approval of its provisions; and that among those provisions is one in which the disputants undertake to cease hostilities and to refrain from further hostilities.

Dr. Yen said that, notwithstanding that provision, the Chinese Government is convinced that it is Japan's intention to force the remaining Chinese troops ^{out} of the Wall --- with hostilities, if need be, for that purpose.

I asked Dr. Yen what he thought China was going to do if presented with an ultimatum or an attack. He said that it was a very difficult political problem; and that it looked as though it would be necessary for the Chinese troops to put up a fight. I said that this Government had expressed to both sides its view that the Chinchow problem was one with regard to which it ought to be possible for the disputants to make an agreement without letting the matter come to battle. Dr. Yen replied that it might look that way, but that it was easier to reason with regard to it than to conceive and make good an agreement. He said that it seemed to him that the important thing at this moment was to concentrate on preventing an attack by the Japanese -- such attack, he said, would be unwarranted and purely an act of aggression with a political objective.

I said that I would report what Dr. Yen said to me.

SKH

SKH/REK

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

COPIES SENT TO
O.N.I. AND M.I.D.

MET

GRAY

Tientsin via N.R.

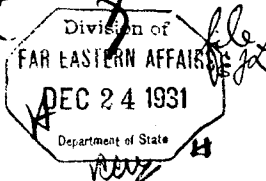
FROM

Dated December 24, 1931

Rec'd 2:15 a.m.

Secretary of State,
Washington

*Del. to
Geneva*
DEC 24



December 24, 1 p.m.

The following message has been sent to the Legation:

"December 24, noon. Japanese military headquarters state that 1700 Japanese troops will arrive in Tientsin on December 26 and 27 including one artillery company with four field pieces. Headquarters state that these troops are being sent here for precautionary measures. It is believed here that this move presages an attack on Chinchow within a week. The landing of so many additional troops in Tientsin is certain to create great concern among the Chinese."

Repeated to Department and Nanking".

WWC
HDP

LOCKHART

F/DEW
793.94/3315

793.94
894.23

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

MET

FROM

GREEN

Geneva

Dated December 24,

Rec'd 9:40 a.m.

Secretary of State,

Washington

322, December 24, 1 p.m.

Avenol has handed me for communication to you follow-

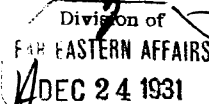
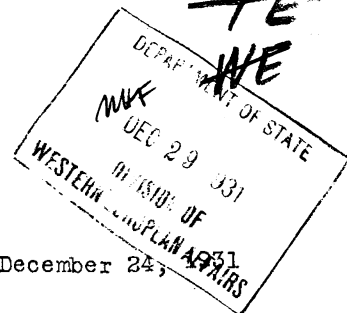
ing message dated December 23 from the British Government:

"British Military Attache reported from Chinchow on
December 30th that there had not been any signs of Chinese
troops withdrawals and that all was quiet".

This information to be considered as confidential.

GILBERT

RR-HPD



F/DEW

793.94/3316

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DEC 20 1931

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O.N.I. AND M.I.D.

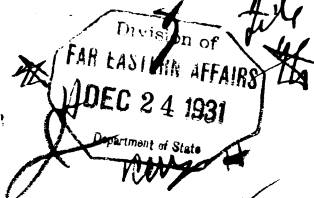
Peiping via N.R.

FROM Dated December 24, 1931

Rec'd 4:45 a.m.

Secretary of State,
Washington

*Lt. to
Geneva*
DEC 24 1931



1126, December 24, noon.

Following from American Consul General at Mukden:

793-94

"December 23, 4 p.m. Spokesman for Japanese headquarters unofficially announced that Fa Ku was captured yesterday afternoon. He intimated that a simultaneous westward drive against the bandits is taking place on a wide range extending from Chengtu on the north to Yingkow on the south and that (*) the Yingkow are moving northward along the Liao Chengtu, Kaiyuan, Tiling, Mukden, Liaoyang and possibly Haicheng are the main points from which drive was launched. From Mukden and points north the drive started on the 21st and from points south today or yesterday. General Tamm is in charge. Local press today state that anti-bandit campaign was started from Mukden and points on the 21st and that troops from Mukden moved west to Liao River by motor trucks.

This is apparently the largest operation yet undertaken".
(WSB)

JOHNSON

F/DEW 793.94/3317

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DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

1-128
PREPARING OFFICE
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TELEGRAM SENT *Gray*

Department of State

TO BE TRANSMITTED
CONFIDENTIAL CODE
NONCONFIDENTIAL CODE
PLAIN

Washington,
1931 DEC-24 PM 4:43

December 24, 1931.

AMERICAN CONSUL,

GENEVA (Switzerland).

142
CONFIDENTIAL FOR GILBERT.

1931-12-24/3317
One. Under date December 24, the American Legation at Peiping transmits ^{the} text of a telegram from the American Consul General at Mukden, dated December 23, stating that a spokesman for the Japanese headquarters unofficially announced that ^{Fuku} ~~Pa-Ku~~ was captured on the afternoon of December 23. The spokesman intimated that a simultaneous westward drive against bandits is taking place on a wide range. The Consul General states that this is apparently the largest operation yet undertaken.

Two. Under date December 24, the American Consul General at Tientsin telegraphs that Japanese military headquarters state that seventeen hundred Japanese troops will arrive in Tientsin on December 26 and 27, ^{2nd} ~~The Consul General states further~~ that it is believed at Tientsin that this move presages an attack on Chinchow within a week.

Three. Inform Drummond, confidential as to source.

W. H. H.
Enciphered by FE:MMH/ZMF

FE

Sent by operator M., 19

Index Bu.—No. 50.

U. S. GOVERNMENT PRINTING OFFICE: 1929 1-128

793.94/3317

7E

TELEGRAM RECEIVED

MET

This telegram must be closely paraphrased before being communicated to anyone.

FROM

Peiping

Dated December 23, 1931

Rec'd 24th, 7:24 a.m.

Secretary of State,

Washington

1127, December 23, 7 p.m.

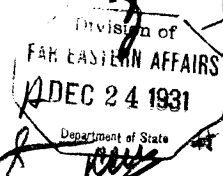
CONFIDENTIAL. Your 469, December 23rd.

993-74

Tientsin has just informed me by telephone that Japanese military have informed commander 15th infantry of their intention to land seventeen hundred troops including one company artillery at Tientsin for precautionary purposes on December 26th and 27th. There is no evidence to us at this time of any disturbance at Tientsin to cause such action on the part of Japanese. Tientsin and entire area between Tientsin and Chinchow peaceful. I therefore can conceive of no reason for this action except intended attack in direction of Chinchow and possible disorders at Tientsin brought on by such attack on Japanese (?).

JOHNSON

KLP-HPD



F/DEW

793.94/3318

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GREEN

KLP

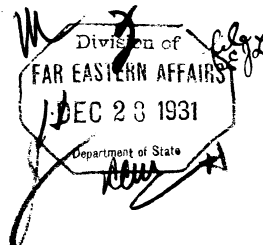
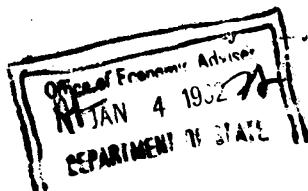
TELEGRAM RECEIVED

Tokio

Dated December 24, 1931.

Rec'd. 10:55 a.m.

FROM



Secretary of State,
Washington.

278, December 24, 5 p.m.

Department's 273, December 23, 6 p.m.

I saw Inukai in person at 12 o'clock today and read him your message. It was interpreted passage by passage as I read. I left a written copy in accordance with your instructions. I read through all the messages referred to before going. I advised Inukai that I had on several occasions made representations, some of them similar in purport, to Baron Shidehara and to Mr. Nagai.. He replied that these military operations were wholly aimed at the bandits and that there was no intention of attacking regular Chinese troops; that it was his earnest hope that a clash could be avoided and that the Chinese Foreign Office could be persuaded by negotiation to withdraw behind the Great Wall. He said that newspaper reports were misleading and that the Japanese had indisputable evidence, some of it in documentary form -- taken from prisoners

793.94
note
23.108
893.51-
Lait Funder

F/DEW

793.94/3319

JAN 4 1932

FILED

278 from Tokio page 2

prisoners or from dead bodies of bandits - that the bandits were acting under orders from regular officers with headquarters in Chinchow. He stated that ~~(?)~~ *the* difference between the regular soldier and the bandit was a line very difficult to draw because the regular soldier became a ~~(?)~~ *bandit* as soon as he stopped getting pay. At this point I asked how these regulars could become other than bandits, the Japanese having taken away the sources of revenue, to which he replied that Chang Hsueh Liang had other sources of revenue. He first tried to say that the Japanese had not seized the funds; I told him I knew they had taken possession of the salt tax and balances in certain banks. Then he corrected his statement but said that the funds were being devoted to the ordinary uses of the Government. He pointed out the extremely difficult position in which the Japanese troops would find themselves if the marauding bands whom they were driving out of the country could get back and join the regular forces in Chinchow; that under the circumstances it would be very difficult for the Japanese army to refrain from attacking and driving the Chinese out; that while these bands were operating in Manchuria there could be no possibility of beginning the orderly conduct of civil government. Once the Chinese regular troops were withdrawn behind the Great Wall,

he

*note
893.51-
Salt Funds*

MET

3-#278 from Tokio, December 24,
1931

he said that work could be found for the bandits who could then be persuaded to discontinue their disorderly practices. He referred sympathetically to the chagrin and disappointment of young Chang Hsueh Liang whom he described as a hot-headed young man who, having been practically king of Manchuria, now found himself deprived of his power; he had pointed this out to the Chinese Minister who recently left here for Nanking and requested him to take up with the Nanking Government the matter of trying to persuade Chang Hsueh Liang to abandon his efforts to harass the Japanese armies and to withdraw his troops peaceably in the interests of an amicable settlement of the whole Manchurian situation; this he said the Chinese Minister had promised to do. He expressed great hope that the whole situation could be cleared up without further clashes between Japanese and Chinese soldiers but expressed fear that if they found themselves face to face it would be extremely difficult to prevent fighting. At this point I reiterated the unfortunate effect upon world opinion that would ensue; to which he quite agreed that that would be the case.

I took occasion to discuss with the Minister the

economic

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

MET

4-#278 from Tokio, December 24,
1931

economic situation and commented briefly on the interferences with neutral business - always to the advantage of Japanese-owned enterprises - which seemed to be the regular policy of the military officers in power. He asked if these were authentic cases. I told him there was no question about that and cited the diversion of railroad freight, the closing of power stations, and the transferring of business to Japanese-owned concerns, and also interference with bank payments. He assured me that this was merely temporary; that Japan had no design upon the integrity or sovereignty of Manchuria and was absolutely committed to the open door policy as, he said, this vast territory was in need of foreign capital and the principles of the open door policy would be strictly respected as soon as civil conditions were restored.

Repeated to Peiping.

FORBES

WSB-HPD

(#) Apparent Omission

TELEGRAM RECEIVED

REP

FROM

A portion of this telegram must be closely paraphrased before being communicated to anyone.

TOKIO

Dated December 26, 1931

Rec'd 6:22 a. m.

Secretary of State,
Washington.

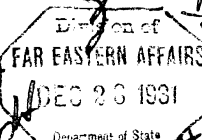
280, December 26, 4 p. m.

(GRAY). An account of my interview with Inukai

evidently given out from his office and substantially correct in Japanese papers 5 o'clock same afternoon. The British and French Ambassadors seem to have dealt with Nagai.

The Dutch Minister informs me there is a bitter feeling existing against us in the Japanese army due to the conviction that their only hope of getting the Chinese regulars to withdraw from Chinchow behind the Great Wall without fighting rests upon these conditions making them believe that they will have to get out any way. They claim that our announcement of an assurance that they would not take Chinchow has stiffened the Chinese attitude and makes it more difficult to carry on negotiations for the peaceable withdrawal which they regard as essential for the restoration of order and civil administration in Manchuria. The NICHU NICHU and

JICI



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793.94/3320

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DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

REP

2- #280, from Tokio, Dec. 26, 4 p.m.

Jiji editorially comment that the publication of recent Three Power cautions against hostilities at Chinchow is likely further to stiffen Chinese opposition and make hostilities more probable. (END GRAY).

I am convinced the Japanese would much prefer settlement of these problems without clashes with Chinese regulars. There is no doubt that, however, the bandits are too numerous, too scattered, and too far out of control to be handled otherwise than by troops more or less in force.

(GRAY). The French Ambassador has delivered to me a copy of his recent note. Please instruct whether I shall reciprocate by giving him a copy of yours contained in Department's telegram No. 273, December 22, 9 p. m.

Repeated to Peiping.

HPD

FORBES

1548

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

1-138
PREPARING OFFICE
WILL INDICATE WHETHER

Collect
Charge Department
OR

Charge to
\$

TELEGRAM SENT

1-138

TO BE TRANSMITTED
CONFIDENTIAL CODE
NONCONFIDENTIAL CODE
PLAIN

Department of State

1931 DEC - 26 PM 4:37 Washington,
December 26, 1931.

AMEMBASSY

TOKYO (JAPAN)

793.94/3320 278 11/3320
Your 280, December 26, 4 p.m., last paragraph.

On December 23 the Department telegraphed to/
the American Consul at Geneva the text of the opening/
and the concluding paragraphs of the statement telegraphed
to you in Department's 273, December 22, 9 p.m. and/
requested that the Consul inform the Secretary General/
of the League thereof in confidence.

If you deem it advisable, you may give French
Ambassador in strict confidence a copy of whole statement.

793.94/3320

67.11
FE:SKH/VDM FE

RECEIVED
1931 DEC - 26 PM 5:34

Enciphered by _____

Sent by operator _____ M., _____, 19____

TELEGRAM RECEIVED

(CORRECTED COPY)

MET

A portion of this telegram ^{FROM}
must be carefully paraphrased
before being communicated to
anyone.

Tokio

Dated December 27, 1931

Rec'd 8:33 a.m.

Secretary of State,

Washington

281, December 27, 6 p.m. ^{Telegram to}

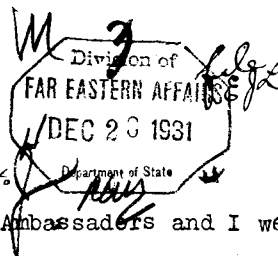
(GREEN) The French and British Ambassadors and I were

requested to call at the Foreign Office in successive half
hours this morning and were received by Nagai, the vice-
Minister of Foreign Affairs who apologized for the inabil-
ity of the Prime Minister to receive us due to the necessity
of his presence at the meeting of the Diet. He delivered
a statement, which is being given out to the press today
and cabled in full to Debuchi, and the following memorandum:

"The Foreign Minister of the Imperial Government has
carefully read the memorandum from the Secretary of State
of America which was submitted by the American Ambassador
in Japan under date of December 24, 1931.

The Imperial Government deeply appreciates the friend-
concern the American Government has always had with regard
to the present incident and at the same time has paid care-
ful attention to the argument expressed in the statement of

the



795.94/3321

EX-100

MET

CORRECTED COPY 2-#281 from Tokio, December
27, 1931.

the Secretary of State on December 10th.

According to the memorandum of the Secretary of State, judging from reports made by military officers in Manchuria of America and three other countries there is no evidence of any preparations on the part of the Chinese for attack. The Chinchow military authorities are keeping great military forces in general at Tahushan west of the Peiping-Mukden line and that vicinity, and are not only steadily making military preparations by despatching advance forces to different places along the right bank of the Liao River but are using mounted bandits and other insubordinate elements and are systematically disturbing peace, as is clearly shown in the attached statement of the Imperial Government of December 27th.

On December 10th when the Council adopted a resolution, the Japanese delegate made a definite reservation that the Imperial Army will be obliged to start military operations against bandits and other insubordinate elements for the purpose of restoring peace and order. In the fear that in starting the above military operations on a large scale a collision will occur with the above mentioned Chinese,

complete

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

MET CORRECTED COPY 3-#281 from Tokio, December 27, 1931.

complete subjugation has been refrained from for a time. Towards the close of November a proposal regarding the question of withdrawal from the vicinity of Chinchow being advanced by the Chinese side, conversations between Japan and China were conducted for about one month, but on account of insincerity on China's part the above mentioned withdrawal has not been realized up ^{to} the present. Meanwhile the activities of groups of bandits instigated and employed by the Chinchow military authorities became so serious that there was finally created a situation that is feared might bring about a fundamental bankruptcy of general peace and order in South Manchuria. Thereupon the Imperial Army was recently obliged to move out simultaneously and begin the subjugation of bandit bands on a comparatively large scale. The fact that the Imperial Army did not take initiatory measures such as attack on the Chinese Army willingly in defiance of the resolutions adopted by the Council on September 30th and December 10th is minutely mentioned in the statement of the Imperial Government above referred to.

The Imperial Government is determined to remain loyal to the League of Nations Covenant, the No War Treaty, other various

5 5 5
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

MET

CORRECTED COPY 4-#281 from Tokio, December
27, 1931.

various treaties and the two resolutions adopted by the Council regarding the present incident. In spite of the fact that the Japanese people are greatly irritated over the systematic disturbance of peace by the Chinchow military authorities the Japanese Army restricted the freedom of subjugation of bandits for a period of one month. In the meanwhile the Government has endeavored by resorting to all possible diplomatic measures to prevent beforehand a collision between the Japanese and Chinese armies that is likely to occur when subjugation is carried out. The Imperial Government trusts that the American Government will surely understand that this sincerity and forbearance are in accord with the spirit of faithfulness to obligations based on the above mentioned treaties and the resolutions adopted by the Council". (END GREEN)

I pointed out to Mr. Nagai that in his statement/^{he} had charged the Chinese with bad faith in failing to withdraw their troops after Wellington Koo's proposition; and said that in view of the fact that after a careful study of the negotiations you had reached the conclusion which I had conveyed to him: that there was no bad faith, and that I thought

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CORRECTED COPY 5-#281 from Tokio, December 29,
1931,

thought it would strengthen the Japanese statement and make it less subject to unfavorable criticism if that charge of bad faith were left out. I told him that I said this as a friend of Japan and in the hope that Japan would not put itself in a false position by putting in a clause already construed impartially as being unfair. He advised he would take this up with Inukai and telephone later, which he did, telephoning to the effect that this referred both to the attitude of Wellington Koo and the young Marshal Chang, and that they had decided to let these words stand.

He left no doubt in my mind that the solicitude of the Three Power Governments had resulted in the generals in Manchuria being cautioned to avoid attacks on regular Chinese troops where possible. He gave me emphatic verbal assurance, in addition to the fairly definite phrases both in the memorandum and in statement, that the Japanese had no intention of attacking regular Chinese troops unless engaged in marauding.

Attention is called to the remarkable increase in the number of bandit raids reported in the Japanese statements to have taken place.

(WSB) Repeated to Peiping.

FORBES

F/DEW

703

CJH

A portion of this telegram must be carefully **TELEGRAM RECEIVED** before being communicated to TOKIO anyone.

DEPARTMENT OF STATE
RECEIVED
DEC 28 1931

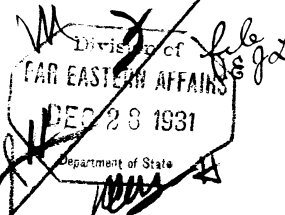
Dated December 27, 1931

FROM Rec'd. 8:33 a.m.

DIVISION OF
CONSULTATIONS AND MUNI

Secretary of State,

Washington:



793.94

281, December 27, 6 p.m. (Green)

The French and British Ambassadors and I were requested to call at the Foreign Office in successive half hours this morning and were received by Nagai, the vice-Minister of Foreign Affairs who apologized for the inability of the Prime Minister to receive us due to the necessity of his presence at the meeting of the Diet. He delivered a statement, which is being given out to the press today and cabled in full to Debuchi, and the following memorandum:

"The Foreign Minister of the Imperial Government has carefully read the memorandum from the Secretary of State of America which was submitted by the American Ambassador in Japan under date of December 24, 1931.

The Imperial Government deeply appreciates the friendly concern the American Government has always had with regard to the present incident and at the same time has paid careful attention to the argument expressed in the statement of the Secretary of State on December 10th.

According to the memorandum of the Secretary of State, judging from reports

See Corrected Copy

F/DEW

793.94/3321

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JAN 1 1932

CJH

Page 2 - #281 from Tokio.

judging from reports made by military officers in Manchuria of America and three other countries there is no evidence of any preparations on the part of the Chinese for attack. The Chinchow military authorities are keeping great military forces in general at Tahushan west of the Peiping-Mukden line and that vicinity, and are not only steadily making military preparations by despatching advance forces to different places along the right bank of the Liao River but are using mounted bandits and other insubordinate elements and are systematically disturbing peace, as is clearly shown in the attached statement of the Imperial Government of December 27th.

On December 10th when the Council adopted a resolution, the Japanese delegate made a definite reservation that the Imperial Army will be obliged to start military operations against bandits and other insubordinate elements for the purpose of restoring peace and order. In the fear that in starting the above military operations on a large scale a collision will occur with the above mentioned Chinese, complete subjugation has been refrained from for a time. Towards the close of November a proposal regarding the question of withdrawal from the vicinity of Chinchow being advanced by the Chinese side, conversations between Japan and China were conducted

CJH

Page 3 - #281 from Tokio.

were conducted for about one month, but on account of insincerity on China's part the above mentioned withdrawal has been realized up to the present. Meanwhile the activities of groups of bandits instigated and difficulties by the Chinchow military authorities became so serious that there was finally created a situation that is feared might bring about a fundamental bankruptcy of general peace and order in South Manchuria. Thereupon the Imperial Army was recently obliged to move out simultaneously and begin the subjugation of bandit bands on a comparatively large scale. The fact that the Imperial Army did not take initiatory measures such as attack on the Chinese Army willingly in defiance of the resolutions adopted by the Council on September 30th and December 10th is minutely mentioned in the statement of the Imperial Government above referred to.

The Imperial Government is determined to remain loyal to the League of Nations Covenant, the No War Treaty, other various treaties and the two resolutions adopted by the Council regarding the present incident. In spite of the fact that the Japanese people are greatly irritated over the systematic disturbance of peace by the Chin-Chow military authorities the Japanese Army restricted the freedom of subjugation of

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Page 4 - #281 from Tokio.

subjugation of bandits for a period of one month. In the meanwhile the Government has endeavored by resorting to all possible diplomatic measures to prevent beforehand a collision between the Japanese and Chinese armies that is likely to occur when subjugation is carried out.

The Imperial Government trusts that the American Government will surely understand that this sincerity and forbearance are in accord with the spirit of faithfulness to obligations based on the above mentioned treaties and the resolutions adopted by the Council". End Green.

I point out to Mr. Nagai that in his statement he had charged the Chinese with bad faith in failing to withdraw their troops after Wellington Koo's proposition; and said that in view of the fact that after a careful study of the negotiations you had reached the conclusion which I had conveyed to him; that there was no bad faith, and that I thought it would strengthen the Japanese statement and make it less subject to unfavorable criticism if that charge of bad faith were left out. I told him that I said this as a friend of Japan and in the hope that Japan would not put itself in a false position by putting in a clause already construed impartially as being unfair. He advised he would take this up with Inukai and telephone later,

which he did

COAH

Page 5 - 281 from Tokio.

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He left no doubt in my mind that the solicitude of the Three Power Governments had resulted in the generals in Manchuria being cautioned to avoid attacks on regular Chinese troops where possible. He gave me emphatic verbal assurance, in addition to the fairly definite phrases both in the memorandum and in statement, that the Japanese had no intention of attacking regular Chinese troops unless engaged in marauding.

Attention is called to the remarkable increase in the number of bandit raids reported in the Japanese statements to have taken place.

Repeated to Peiping.

FORBES

W SB

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

December 31 1981.

CONFIDENTIAL - STAFF USE ONLY.

Prentiss B. Gilbert, Esquire,
American Consul,
Geneva, Switzerland.

Sir:

Referring to the Department's telegram of today's date, there is enclosed herewith, for your confidential information, a copy of the text of the memorandum, as telegraphed to the Department by the Ambassador at Tokyo under date December 27, constituting the reply of the Japanese Government to the statement in regard to the situation at Chinchow left by the Ambassador with the Japanese Minister for Foreign Affairs on December 24.

The statement of the Japanese Government, referred to in the third paragraph of the memorandum, has been released to the press by the Japanese Government, and it is assumed that you have obtained the statement from that source.

Very truly yours,

For the Secretary of State:

JAMES GRAFTON ROGERS

Enclosure:
Copy of text of
memorandum.

FE:MMH/VDM
12/29/31

FE
SKV

DEC 30. 1981.

793.94/3321

TEXT OF MEMORANDUM, DELIVERED TO AMBASSADOR FORBES
ON DECEMBER 27, 1931, CONSTITUTING THE REPLY OF
THE JAPANESE GOVERNMENT TO THE STATEMENT IN REGARD
TO THE SITUATION AT CHINGHOW LEFT BY THE AMBASSADOR
WITH THE JAPANESE MINISTER FOR FOREIGN AFFAIRS ON
DECEMBER 24, 1931.

The Foreign Minister of the Imperial Government has
carefully read the memorandum from the Secretary of State
of America which was submitted by the American Ambassador
in Japan under date of December 24, 1931.

The Imperial Government deeply appreciates the
friendly concern the American Government has always had
with regard to the present incident and at the same time
has paid careful attention to the argument expressed in
the statement of the Secretary of State on December 10th.

According to the memorandum of the Secretary of State,
judging from reports made by military officers in
Manchuria of America and three other countries there is
no evidence of any preparations on the part of the Chinese
for attack. The Chinghow military authorities are
keeping great military forces in general at Tahushan west
of the Peiping-Mukden line and that vicinity, and are not
only steadily making military preparations by despatching
advance forces to different places along the right bank
of the Liao River but are using mounted bandits and
other insubordinate elements and are systematically
disturbing peace, as is clearly shown in the attached
statement of the Imperial Government of December 27th.

On December 10th when the Council adopted a
resolution, the Japanese delegate made a definite
reservation that the Imperial Army will be obliged to
start military operations against bandits and other
insubordinate

- 2 -

insubordinate elements for the purpose of restoring peace and order. In the fear that in starting the above military operations on a large scale a collision will occur with the above mentioned Chinese, complete subjugation has been refrained from for a time. Towards the close of November a proposal regarding the question of withdrawal from the vicinity of Chinchow being advanced by the Chinese side, conversations between Japan and China were conducted for about one month, but on account of insincerity on China's part the above mentioned withdrawal has not been realized up to the present. Meanwhile the activities of groups of bandits instigated and employed by the Chinchow military authorities became so serious that there was finally created a situation that is feared might bring about a fundamental bankruptcy of general peace and order in South Manchuria. Thereupon the Imperial Army was recently obliged to move out simultaneously and begin the subjugation of bandit bands on a comparatively large scale. The fact that the Imperial Army did not take initiatory measures such as attack on the Chinese Army willingly in defiance of the resolutions adopted by the Council on September 30th and December 10th is minutely mentioned in the statement of the Imperial Government above referred to.

The Imperial Government is determined to remain loyal to the League of Nations Covenant, the No War Treaty, other various treaties and the two resolutions adopted by the Council regarding the present incident. In spite of the fact that the Japanese people are greatly irritated over the systematic disturbance of peace by the Chinchow military

156
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

- 3 -

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1563

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

1-128
PREPARING OFFICE
WILL INDICATE WHETHER

TELEGRAM SENT

TO BE TRANSMITTED
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NONCONFIDENTIAL CODE
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Collect
Charge Department
OR
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Department of State

Washington
December 29, 1931.

AMERICAN CONSUL

GENEVA (Switzerland).

CONFIDENTIAL FOR GILBERT.

Department's 140, December 23, 4 p.m.

The American Ambassador at Tokyo reports that on December 27 he was requested to call at the Japanese Foreign Office where the Vice Minister for Foreign Affairs delivered to him a memorandum constituting the reply of the Japanese Government to the statement in regard to the situation at Chinchow left by the Ambassador with the Japanese Minister for Foreign Affairs on December 24. Department assumes that you have obtained from press reports the substance of the Japanese Government's reply. Department is mailing you text.

795.94/3321

144
793.94/3321

FE:MMH/VDM FE

Enciphered by

Sent by operator M., 19.....

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

MET

This telegram must be
closely paraphrased be-
fore being communicated
to anyone.

FROM

Secretary of State,

Washington

321, December 23, 7 p.m.

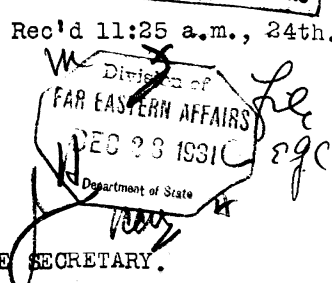
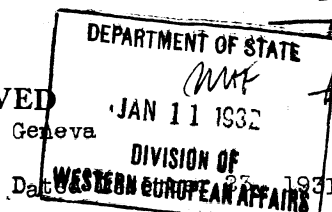
STRICTLY CONFIDENTIAL FOR THE SECRETARY.

Drummond absent until January 10. Conveyed informa-
tion in Department's 139, December 22, to Avenol, Acting
Secretary General, in accordance with arrangements to this
effect made with Drummond before his departure.

Avenol greatly regrets ^{his} inability to serve.

Avenol, after brief hesitation, expressed to me
frankly his views respecting the suitability of General
McCoy under all the circumstances surrounding the Commission
to Manchuria. The substance of what he had to say falls into
two parts as follows:

(A) - For a broad study of the Manchurian situation
in all of its aspects diversity of qualifications is desired
among the several commissions. Nationals of the following
states have been brought forward publicly and the Chinese
and Japanese Governments have committed themselves as accept-
ing them. France, General Claudel, a military man of broad
experience; Germany Schnee, administration, late colonial
governor



F/DEW 793.94/3522

CONFIDENTIAL FILE

MET

2-#321 from Geneva, December 23,
1931.

governor; Italy Aldobrandi diplomat, former ambassador. The proposed British member is still unknown. There is a feeling that the British may be waiting for an indication as to whom the American may be in order that the British member may fill a possible gap respecting qualifications as discussed above. With General Claudel already brought forward it is felt undesirable that the commission possess too great a military aspect by the appointment of another military officer.

Incidentally Japan has refused to accede to a sixth member of the Commission as mentioned in my 315, December 15th paragraph one.

(B) - While of course no possible objection is seen personally to General McCoy, Avenol feels that difficulties might arise with the Latin American members of the Council in view of General McCoy's former association Nicaraguan affairs and even that a public analogy might be drawn between the Nicaraguan and the Manchurian situations which would be most unfortunate. Avenol also believes it very possible that China might object on similar grounds.

He is forwarding General McCoy's name to Briand.
He

MET

3-#321 from Geneva, December 23,
1931.

He stated that ^{he would have} ~~to~~ to do this as he was only acting as a transmitting agent. He stated also that he had no technical right to express an opinion respecting the membership of the commission as opinion and decision in such matters rested solely with Briand. He said that he gave me his views only because he felt I should know them and also because he believed it to be highly probable that Briand would have the same opinion but ^{that} from his position he would not be able to express himself so freely.

After Avenol had expressed himself in the foregoing sense I felt it desirable under the circumstances to request that the matter of General McCoy's name be kept in the strictest confidence both by Briand and himself. He said that he would see that it was so held.

Avenol then stated that while he realized that the United States Government would not wish to appear in the role of nominating an American national for the Commission he hoped, nevertheless, that it would continue (if General McCoy is not appointed) to use its good offices informally and confidentially in suggesting two or three names. All things considered he believed that an American to perform the most

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Lustig NARS, Date 12-18-75

MET

4
#321 from Geneva, December 23,
1931

most useful services and to fit into a well rounded commis-
sion might be a railroad man, an economist or a jurist,
these qualifications seeming desirable to him in the order
named. I inform you of this latter in view of the possibility,
as suggested by Avenol, that Briand may not wish to put for-
ward the name of General McCoy.

GILBERT

WSB-CSB

123

12-23-31 from Geneva, Dec. 23, 1931

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these qualifications seeming desirable to him in the order
named. I inform you of this latter in view of the possibility,
as suggested by Avenol, that Briand may not wish to put for-
ward the name of General McCoy.

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

REP

TELEGRAM RECEIVED

COPIES SENT TO
O.N.I. AND M.I.D.

GRAY

FROM Peiping via N. R.

Dated December 26, 1931

Rec'd 1:30 a. m.

Secretary of State,

Washington.

1129, December 26, noon.

Following from American Consul General at Harbin

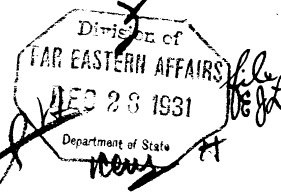
"December 23, 5 p. m.

One. Last evening Secretary Chao, who had just returned from visiting General Ma at Hailun informed me that Ma had sufficient funds to support his troops for three months; that he was still acting under instructions of Nanking and that he would await the results of the visit of the League of Nation's commission.

Two. No evidence to the effect that Ma has yielded to Japanese demands has been brought to the attention of this office, but judging by Chao's remarks he is anxious in regard to expected operations of Japanese at Chinchow,

JOHNSON

JS



F/DEW

793.94/3323

FILED

DEC 30 1931

993-94

TELEGRAM RECEIVED

REP

FROM GRAY

COPIES SENT TO
O.N.I. AND M.I.D.

Peiping via N. R.

Dated December 26, 1931

Rec'd 5 a. m.

Secretary of State,
Washington.

1130, December 26, 1 p. m.

One. Following from American Consul General at

Mukden:

"December 24, noon.

Japanese headquarters reports mixed brigade operating
in Faku area withdrawn to Tiling today. Anti-bandit
operations in this region are considered successfully
terminated."

"December 25, 1 p. m.

Headquarters report fighting between two companies
Japanese and one thousand Chinese near Tienchuantai,
northwest of Yingkow, on 23rd. Japanese casualties six,
Chinese many, including some in regular army uniforms
under plain clothes.

On 24th Japanese military train near Tienchuantai
exchanged shots with Chinese military train which with-
drew; no casualties reported."

Two.

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793.94/5524

FILED

DEC 30 1931

793.94

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

REP

2- #1130, from Peiping, Dec. 26, 1 p.m.

Two. Following from Military Attache at Chinchow:

"December 25, noon.

Reported Tienchwangtai Railroad station occupied by Japanese 6 p. m. yesterday. Chinese report their armored train there withdrawn westward three miles after considerable fighting and damage received from air bombs: Japanese air activities yesterday at Tienchwangtai, Panshan, Shihshanchan, Tangchiawapu; General Jung Chen is in Peiping to attend military conference."

JOHNSON

HPD

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Lustig NARS, Date 12-18-75

PEIPING via N.R.

COPIES SENT TO
O.N.I. AND M.I.D.

DEPARTMENT OF
RECEIVED

DEC 28 1931

DIVISION OF
ASIAN AFFAIRS

TELEGRAM RECEIVED December 27, 1931

Received 3:52 a.m.

FROM

Secretary of State,

Washington.

1132 December 27, 10 a.m.

Following from American Consul at Mukden:

" December 26, 1pm. Headquarters reports heavy
bandit attack early today on Feng Huang Chong and near
stations on the Mukden Antung railroad. Two battalions
from Antung and two companies from Liao Yang have
been sent for a bandit suppression campaign in this
region.

Tienchuantai now occupied by Japanese forces".

JOHNSON

F/DEW

793.94/3325

DEC 30 1931

FILED

793.94

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

GRAY

TELEGRAM RECEIVED PEIPING via N.R.

RECEIVED

Dated Dec. 27, 1931

DEC 28 1931

Rec'd. 6:15 a.m.

DIVISION OF
COMMUNICATIONS AND RECORDS

FROM

Secretary of State,
Washington.

COPIES SENT TO
O.N.I. AND M.I.D.

Division of
FAR EASTERN AFFAIRS

DEC 28 1931

1134

Following from American Consul at Nanking:

"December 26, 11am.

One. I am informed that on December 24th the National Government sent instructions to Chang Hsueh Liang to resist the Japanese forces if they attack Chinchow.

Two. Yesterday morning the Central Executive Committee meeting discussed the defense of Chinchow and in the course of the discussion, according to the best reports obtainable, member Wu Chih Hui called member Sun Fo a traitor whereupon Sun Fo left for Shanghai on the afternoon train. Today meetings are going on as planned and efforts are being made to heal the breach.

Three. I am told that in Shanghai and Nanking there is general feeling that the appointment of three generals known to be loyal to Chiang Kai Shok as head of the Provincial Governments of Chekiang, Kiangsu and Kiangsi indicates a possibility that in the near future obstacle will be removed to the organized government.

F/DEW

793.94/3326

FILED

DEC 30 1931

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DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

2

Page 2 from Peiping #1134

will be placed in the way of the reorganized government in order to bring about the retirement of the Canton element. The public impression seems to be that under the most favorable circumstances the Government if and when organized will be unable to cope with its various difficulties and will disintegrate within a few weeks. If I am able to discover grounds for taking a more hopeful view of the political future I will report them promptly".

Johnson

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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

TELEGRAM SENT

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Department of State

Washington,
December 28, 1931.
1 pm

AMERICAN CONSUL

GENEVA (Switzerland).

143
CONFIDENTIAL FOR GILBERT

793.94/00
One. Under date December 23, the American Consul General at Harbin reports that the Japanese indirect control over Harbin is increasing daily and that, while Harbin officials are still nominally under the control of Nanking, the civil administrator is obeying the orders of the Japanese. *10326*

Two. Under date December 26, the American Consul General at Nanking reports that he has been informed that on December 24 the Chinese Government sent instructions to Chang Hsueh-liang to resist Japanese forces if they attack Chinchow.

Three. Inform Drummond, confidential as to source.

✓
Dec 28 1931 P.M.

MMH
FE:MMH/VDM

FE

Enciphered by

Sent by operator M., 19.....

Index Bu.—No. 80.

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RECEIVED

U. S. GOVERNMENT PRINTING OFFICE: 1929 1-128

793.94/3326

CJH

PLAIN
TELEGRAM RECEIVED
PEIPING

Dated December 27, 1931

FROM

Rec'd. 8:16 a.m.

Secretary of State,
Washington.

1135, December 27, 1 p.m.

Following from Reuter, Nanking, December 26th:

"The Special Foreign Affairs Committee met late last evening to discuss the Chinchow situation and this morning they telegraphed to Geneva asking the Council of the League of Nations to bring pressure to bear on Japan to refrain from military operations in that area according to the provisions on the resolution passed by the League at Paris."

Two. Following from Reuter, Tientsin, December 26th:

"The First contingent of Japanese consisting of one battalion of infantry at wartime strength arrived in Tientsin East Station from Tangku at twelve thirty p.m. today."

Shortly before their arrival Japanese sentries from the Japanese garrison were posted around the station and nobody was allowed to pass.

Arrangements have been made for the transportation tomorrow from Tangku of a further battalion of infantry

and one

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Division of
FAR EASTERN AFFAIRS

DEC 28 1931

Department of State

F/DEM

735.94/3527

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DEC 30 1931

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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

OJH

Page 2 - #1135 from Peiping.

and one battery of field artillery bringing the total fresh arrivals up to seventeen hundred.

The Japanese troops arrived at Tangku in three transports".

JOHNSON

JS

4

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

WP

FROM

This telegram must be
closely paraphrased be-
fore being communicated
to anyone.

Tokyo

Dated December 28, 1931

Rec'd 1:24 a. m.

Secretary of State,
Washington.

282, December 28, 1 p. m.

CONFIDENTIAL FOR THE SECRETARY.

Referring to my cable 281, December 27, 6 p. m.,
penultimate paragraph in regard to generals in Manchuria,
the Vice Minister for Foreign Affairs made no mention
of any instructions to generals my statement being based
purely on inference.

FORBES

WP

Division of
FAR EASTERN AFFAIRS
DEC 28 1931
Department of State

F/DEW

793.94/3328

FILED

JAN 4 - 1932

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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

MET

(CORRECTED COPY)
FROM

GRAY

COPIES SENT TO
O.N.I. AND M.I.D.

Peiping via N.R.

Dated December 28, 1931

Secretary of State,

Washington

1137, December 28, noon.

Following from American Consul General at Mukden:

"December 27, 1 p.m. According to reliable information Japanese brigade with cavalry and artillery crossed river at Yingtow early today and moved to Tienchuantai whence they are marching to Panshan. The troops that were despatched westward against bandits on 23rd returned to Liaoyang and Yingkou on 25th.

Airplanes left Mukden early this morning in a westerly direction".

RR-WSB

JOHNSON

793.94/3329

FILED

Jan 4 1932

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

7E

TELEGRAM RECEIVED

MET

FROM

GRAY

COPIES SENT TO
O.N.I. AND M.I.D.

Peiping via N.R.

Dated December 28, 1931

Rec'd 6:55 a.m.

Secretary of State,

Washington

1137, December 28, noon.

Following from American Consul General at Mukden:

"December 27, 1 p.m. According to reliable information Japanese brigade with cavalry and artillery crossed river at Ying~~ow~~ early today and moved to Tienchuantai whence they are marching to Panshan. The troops that were despatched westward against bandits on 23~~rd~~ returned to Liaoyang and Ying~~ow~~ on 25th.

Airplanes left Mukden early this morning in a westerly direction".

JOHNSON

RR-WSB

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Division of
FAR EASTERN AFFAIRS
DEC 28 1931
Department of State

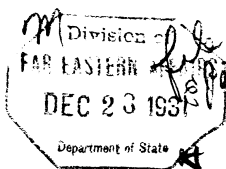
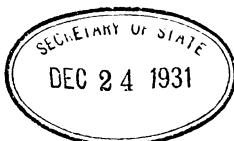
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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

DEPARTMENT OF STATE
THE UNDERSECRETARY



December 23, 1931.

Memorandum of conversation with the German Ambassador,
December 23.

793.94

The German Ambassador asked me what we were doing about the present situation in Manchuria. I told him, confidentially, that Briand had sent a message to the Japanese Government reiterating the fear of the League that an advance on Chinchow would appear to be in direct contradiction to the resolution of the League agreed to by Japan and that it would turn world sentiment against Japan. I also told him, confidentially, that we understood similar remarks were to be made by the British Ambassador and that we had ourselves sent a memorandum along similar lines. He said he hoped this might be effective, but that he was convinced Japan was determined to get the Chinese out of Manchuria. He said that probably for the world a Manchuria governed by pro-Japanese Chinese would be the best solution, but that he felt the way the Japanese had gone at the thing was extremely unfortunate in that it made a mockery of any non-aggression treaties.

W. R. Castle, Jr.

U WRC/AB

F/DEW
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Department of State letter, August 10, 1972
By Milton O. Dunfsm NARS, Date 12-18-75

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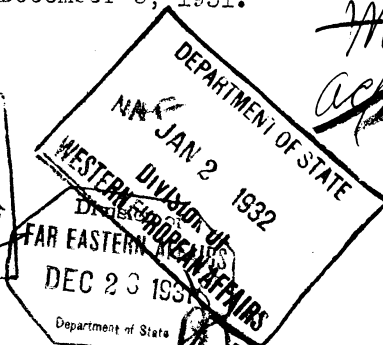
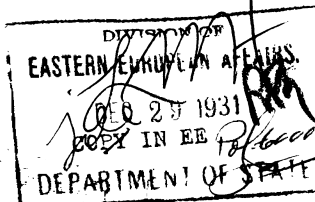
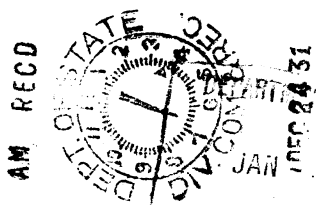
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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75



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UNITED STATES OF AMERICA

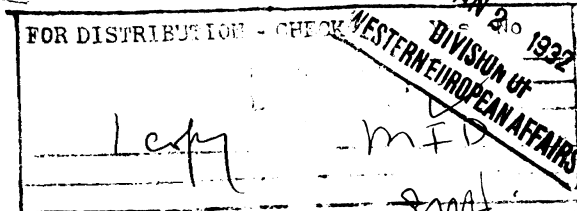
Warsaw, December 5, 1931.

No. 1151



A-S/C
ASSISTANT SECRETARY OF STATE

743-94



The Honorable

The Secretary of State,
Washington.

Sir:

JAN 5 1932

I have the honor to transmit herewith, in copy and
1/ translation, an article from the Opposition paper
GAZETA WARSZAWSKA of December 4, 1931. It treats of
the role of the League of Nations in respect of the
conflict in Manchuria.

The GAZETA WARSZAWSKA finds a precedent in present
events to demonstrate that should Germany ever attempt
a Putsch into the "Corridor", both the League and the
Kellogg Pact would prove valueless to Poland. The

GAZETA

F/DEW 703.04/3332

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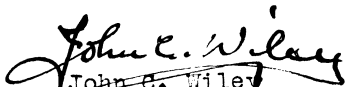
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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

-2-

GAZETA WARSZAWSKA believes that Poland should be prepared to rely for the national defence on her own strength and powerful allies rather than on the archives of Geneva.

Respectfully yours,


John C. Wiley
Chargé d'Affaires ad interim.

Enclosures:
Article from GAZETA WARSZAWSKA
in copy and translation.

500
JCW:HS

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

Enclosure No. in Despatch No. 1151

RECEIVED MARSHALL on December 4, 1931.

GAZETA WARSZAWSKA dnia 4 grudnia 1931 roku.

REZOLUCJA RADY LIGI

Po długiej i trudnej pracy, uchwalila Rada Ligi rezolucję w sprawie zatargu traktaty. Na wschodzie Europy mo-
chińsko-japońskiego. Trzeba wyraźnie zna sobie wyobrazić ze strony Nie-
stwierdzić, że cały wynik pracy Rady miec akcję podobną dla zwalenia trak-
polega na uchwaleniu rezolucji, a nie tatów. Czyż może dziś się ludzi kto-
na przyczynieniu się do załatwienia kolwiek, że interwencja Ligi byłaby
czy załagodzenia sporu mandżurskie- bardziej skuteczna na terenie Europy,
go. Było od samego początku jasne niż na terenie Azji?!

dla każdego myślącego kategorjami Kierownictwo polityki polskiej i o-
politycznemi, że Liga i wszystkie jej pinja polska, muszą sobie powiedzieć,
organy nie są w stanie nic zrobić wo- ze w razie ataku na nasze granice, nie
bec rozgorzałej wojny. Zrozumiano to można liczyć na Ligę i jej dobre inten-
w końcu i w Lidze i jedyną troską jej cje, bo będzie ona bezsilna w przyszło-
organów było uratowanie pozorów, ści, tak, jak jest bezsilna obecnie.
niedopuszczenie do jawnego i oczywi- Wszystkie postanowienia, pakt, trak-
stego stwierdzenia bezsilności Ligi. taty, uchwały i t. p., cale stopy papie-
rów, spoczywające w archiwach se-
Nie zabraknie z pewnością usiłowań kretariatu Ligi, nie będą miały żadne-
dowiedzenia, że zalecenie obydwu go znaczenia, jeśli się znajdzie w Eu-
stronom dążenia do pokojowego za- ropie ktoś dość silny na to, by sobie z
łatwienia zatargu, wyrażenie podożne- nich nic nie robić.

go życzenia, ażeby Japończycy wy- Z tego zaś wniosek taki, że nie za-
cofali swe wojska, wreszcie wysłanie niedbując ani na chwilę obrony na-
komisji do Mandżurji, że to wszystko szczych interesów na terenie genew-
są postanowienia bardzo ważne i pro- skim, trzeba zabezpieczyć naszą ca-
wadzące do pacyfikacji na Dalekim łość i nietykalność innemi sposobami,
Wschodzie. To wszakże nie powinno podyktowanemi przez doświadczenie
zaciemnić jasnego spojrzenia opinii dziejowe: mieć siłę i być w przymierzu
polskiej na wagę i znaczenie doświad- z silnymi.

czenia, jakie było zrobione przed na- Siła Polski — to jej uporządkowa-
szemi oczami. Doświadczenie to wy- nie wewnętrzne. Zbudowanie systemu
kazalo z całą oczywistością, że Liga sojuszków — to zadanie myśli politycz-
Narodów jest bezsilna wobec konflikt- nej polskiej i dyplomacji polskiej.
tow, wynikających z istotnego i po- Im prędzej dojdziemy do wniosku,
ważnego starcia interesów. Mimo in- że Genewa i Locarno są słabą gwaran-
terwencji Ligi, mimo istnienia paktu cją całości i bezpieczeństwa państwa
Kelloga, toczy się w Mandżurji wojna polskiego, im prędzej rozwinie my pra-
i toczy się będzie dalej — tak długo, cę polityczną na terenie międzynaro-
jak długo nie dojdzie do bezpośrednie- dowym według starych, lecz wiecznle
go porozumienia między stronami. obowiązujących zasad politycznych,
Ważna i poważna płynie stąd nau- tem pewniej i lepiej ubezpieczymy
ka dla nas. Ta mianowicie, że nie po- nasz byt i naszą niezależność. Oto jest
winniśmy liczyć na Ligę w razie ataku „moral” z bajki mandżurskiej.

na nasze granice zachodnie. S. K.

Japończycy wszelki działania wo-

1585
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Lutefson NARS, Date 12-18-75

Enclosure No. to Despatch No. 1151 American Embassy,
of December 5, 1931. Warsaw, Poland.

(TRANSLATION)

GAZETA WARSZAWSKA of December 4, 1931.

A RESOLUTION OF THE LEAGUE OF NATIONS.

After long and complicated debates the League of Nations has passed a resolution on the Sino-Japanese conflict. It should be underlined that all the result of the League of Nation's work consists in the passing of a resolution but not in contributing to the appeasement of the Manchurian conflict. It was clear since the beginning that the League of Nations and all its organs are powerless in case of an outbreak of war. This was at last understood by the League itself and the only care of the latter was to save the appearances and to prevent a public confirmation of the League's impotence.

There will certainly be efforts made to prove that recommendations made to both parties to have the conflict settled "à l'amiable", the expression of a pious wish to have the Japanese withdraw their army, and the delegation of a commission to Manchuria are decision of great moment which lead to the pacification of the Far East. However, this should not deceive Polish opinion as to the importance and significance of the events which have taken place. This experience proved clearly that the League of Nations is powerless in regard to conflicts arising from a collision of mutual interests. In spite of the intervention of the League of Nations, in spite of the existence of Kellogg's Pact, there is war in Manchuria

and

-2-

and war will be continued as long as direct understanding will not be reached by the combattants.

This is a lesson for us and one of first rate importance: the League of Nations will do nothing for us in case of an attack at our western borders. Hostilities started by the Japanese were started in the defence of treaty rights. A similar action for abolishment of treaties may be commenced by Germany in the East of Europe.

Could it be believed at present that an intervention of the League would be more successful in Europe than it was in Asia?

Those who stand at the head of Polish politics and the Polish opinion should realize once for all that in case of an attack at our frontiers, we cannot count upon the League of Nations and the latter's good will, for it will continue to be as impotent in future as it proved to be at present. All stipulations, pacts, treaties, decisions, etc. all the heaps of paper filed in the archives of the Chancery of the League will have no importance at all if there be somewhere in Europe a personality strong enough to disregard them.

It is to be concluded from the above that Poland should, without neglecting the defence of its interests in Geneva, safeguard the integrity of its territory by other means; by those taught by historical experience, namely force and an alliance with those who themselves are strong.

The strength of Poland lies in internal order and good organisation. The construction of a system of alliances,

is

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Lustigson NARS, Date 12-18-75

-3-

is the task of Polish diplomacy and foreign policies.

The sooner we become convinced that Geneva and Locarno are no guaranty for the integrity and safety of the Polish State, the sooner we start on the international area a political action governed by the old, but still the most safe political principles, the better will we safeguard our political existence and independence. Such is the moral from the Manchurian tale.

1581
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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

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TELEGRAM RECEIVED

MET

PLAIN

COPIES SENT TO
O.N.I. AND M.I.D.

FROM

Peiping via N.R.

Dated December 28, 1931

Rec'd 8:50 a.m.

Secretary of State,

Washington

1139, December 28, 2 p.m.

Following from Reuter, Tokyo, December twenty-seventh:

"So long as the Chinchow military authorities, while simulating an unaggressive attitude, continue to instigate and manipulate movements of bandit organizations against the Japanese army as well as against Japanese civilians and other peaceable inhabitants and so long as the officers and the men of the Chinchow army mingle in large numbers with these bandit groups, thereby rendering it impossible to distinguish the latter from regular troops, so long must the responsibility for the consequences of any action which may be entailed upon the Japanese army in self-defense rest entirely with the Chinese.

The quotation roughly sums up Japan's stand as explained in a lengthy statement issued after the presentation of Japan's replies to Great Britain, America, and France, which assert that Japan has obtained irrefutable evidence that the Chinchow

Division of
FAR EASTERN AFFAIRS
DEC 28 1931
Department of State

F/DEW

793.94/3335

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DEC 30 1931

793.94

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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

MET

2-#1139 from Peiping via N.R.,
Dated December 28, 1931

Chinchow military authorities are carrying out systematic intrigues with bandits.

The statement enumerates various details which are claimed to show how both the Chinese troops and bandits have been increasing in numbers and in activity during the past few weeks after which it describes the earnest attempts made to persuade Marshal Chang Hsueh Liang to withdraw for the purpose of avoiding a clash.

The Cabinet has sanctioned the despatch of an additional brigade from Korea as reinforcements for Manchuria."

JOHNSON

KLP-WWC

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

COPIES SENT TO
O.N.I. AND M.I.D.

MET

FROM

PLAIN

Peiping via N.R.

Dated December 28, 1931

Rec'd 8:40 a.m.

Secretary of State,

Washington

1140, December 28, 3 p.m.

Legation's 1135, December 27, 1 p.m., paragraph two.

Following from Reuter, Tientsin, December 27th:

"The remainder of the Japanese forces arrived from Tangku today in two trains. They were welcomed at the station by crowds of Japanese civilians waving national flags".

JOHNSON

KLP-HPD

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FILED

DEC 29 1931

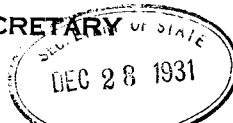
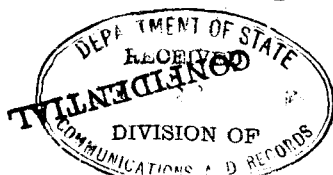
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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

CONFIDENTIAL

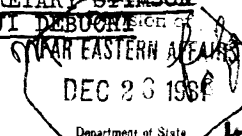
DEPARTMENT OF STATE

THE SECRETARY OF STATE



MEMORANDUM OF CONVERSATION BETWEEN SECRETARY STIMSON
AND THE JAPANESE AMBASSADOR, MR. KATSUJI DEBUCHISE

Manchuria



F/DEW

793.94/3335

Confidential File

MAR 31 1932

The Japanese Ambassador called at Woodley at six fifteen on Wednesday evening, December 23. I had sent for him and when he came I told him that the consensus of all the reports which were coming in, particularly from the War Office, were to the effect that a large movement was being made by the Japanese Army against Chinchow. I told him that this gave me very serious concern and anxiety. He said that he appreciated that. I told him that I was receiving reports from our attaches in Chinchow, most of the time from two of them and all of the time from at least one; that these reports went into very great detail; and that they coincided in the absolute assurance that there were no preparations whatever being made by the Chinese regular forces in that locality for any aggressive attack on the Japanese. To illustrate, I told him of the specific case of Colonel McIlroy, the attache' at Tokyo, who had come to Chinchow by way of Mukden. I told the Ambassador that from Mukden Colonel McIlroy

DEPARTMENT OF STATE

THE SECRETARY

-2-

had sent me a report of information which he had evidently gotten from the Japanese Headquarters at Mukden, which caused him to feel that there was a great preparation being made by the Chinese which was really threatening the Japanese and that it would make necessary counter-defensive measures by the Japanese. I then pointed out that Colonel McIlroy went from there to Chinchow and two days later he sent me a report which expressly denied everything that he had learned from Japanese Headquarters. He pointed out that no preparations were being made by the Chinese whatever and said that he had identified every unit of the Chinese forces which had been there before as being there now.

I pointed out to the Ambassador that under these circumstances the conclusion in my mind had become clear that if the Japanese made an attack on Chinchow and upon these regular forces there, I should be obliged to look upon it as pure aggression on the part of Japan. I told him that I had been particularly careful not to criticise their counter-defensive preparations against bandits and had

DEPARTMENT OF STATE

THE SECRETARY

-3-

confined my representations to Tokyo to the preparations which were being made against the Chinese regular forces. The Ambassador said that the Japanese Army felt that the Chinese regular forces were being used as a base of supplies for the bandits to use against the Japanese. I told him that I was familiar with this argument, but that it could not be sound. The Japanese held the only railroad that led from Chinchow to Mukden and, therefore, the Chinese could not send any supplies in any amount to the bandits and that it would be impossible to supply them overland in any other way in the amount the Japanese were claiming. I told him also that I was familiar from what Baron Shidehara had said to Forbes of the evidence upon which Japan was making this claim of support to the bandits, namely, that they had found the bandits equipped with army rifles from China and ammunition and also clothing. I said there were so many ways in which the bandits could be equipped with these supplies without their coming from Chinchow that this in my mind would entirely dispose of such an argument. I said that in the first place the Japanese had attacked and scattered

DEPARTMENT OF STATE

THE SECRETARY

-4-

a great many soldiers of the former Chinese army, and that it was well known that these men had become bandits in great numbers, and that this would account for their having Chinese army weapons and ammunition, so that I could not regard that defense as serious.

✓ We talked the whole matter over and he reiterated the fact that I had always been very friendly to Japan and that he appreciated it. I said that was so, but I said that this troubled me very greatly and that I hoped that as a last resort that they would not commit this act, which I thought would make a very serious impression on everybody. He told me, and he also reiterated it, that he did not really think that the attack would come about and he begged me to have patience. I said that I had had patience for four months and that I expected to still have it, but that I must tell his Government and himself exactly how the matter looked now because it seemed very serious.

H. L. S.

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Lustig NARS, Date 12-18-75

793.94 page 2
file
(NOT FOR THE PRESS)
(FOR DEPARTMENTAL USE ONLY)

Department of State
Division of Current Information

MEMORANDUM OF THE PRESS CONFERENCE, FRIDAY, DECEMBER 18, 1931

At the press conference this afternoon Secretary Stimson announced the issuance of a press release on the situation in China--covering a number of matters, including the activities of the students. He added that since the press release had been prepared another telegram had been received by the Department stating that the students were being marched out of Nanking under guard and that it was believed that by evening all visiting students would have been deported.

KASSAY CASE

A correspondent asked why it was that Mr. Kassay, the Hungarian who was alleged to have tried to wreck the AKRON, was being refused a passport by the State Department. The Secretary said, in reply, that the matter had not reached him and that he was not familiar with the details of the case. The correspondent observed that the State Department apparently stood on the alleged right to deny passports to American citizens. In reply, the Secretary said a passport was a privilege and not a right. The correspondent stated that it was the right of American citizens to go abroad. The Secretary agreed, but explained that it was not a right of every American citizen, as he understood it, to have his Secretary of State say he was in such good standing he should be protected in every way. The correspondent asked if denial of a passport did not practically prohibit a man from going abroad. The Secretary recalled that when he was the age of the correspondent passports were never used. Nowadays lack of a passport might prevent a man from going abroad, but there are still some places, Canada, for instance, where one can still go without a passport. The correspondent observed that one could go to the Latin American

F/DEW

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DEC 28 1931

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countries without a passport. He asked if the case might be checked up. The Secretary replied in the affirmative.

VIRGIN ISLANDS

A correspondent enquired whether the Secretary could say anything regarding the difficulties Governor Pearson seemed to be having in the Virgin Islands. The Secretary replied in the negative.

SINO-JAPANESE SITUATION

A correspondent enquired whether the Secretary had received the Senate's request for the documents regarding Manchuria. The Secretary replied in the affirmative. The correspondent asked when the request would be complied with. The Secretary replied that the Department had been at work on the matter for a long time. He said he wondered if the correspondents knew how many documents and papers there were regarding the case during the last three months. The correspondent hazarded a guess of several hundreds. It is a big job and will be taken care of as soon as possible. The Secretary said he was anxious to have an opportunity, as soon as it could be safely done, to make public what the Department had done, but that it could not be done at the present time.

A correspondent asked if the resolution called for all the documents except those the publication of which would be incompatible with the public interest. The Secretary replied in the negative and explained that the committee concluded that was necessarily implied in any case. It was not expressed because that was unnecessary. The correspondent asked if the Secretary did not exercise that discretion in any case. The Secretary replied in the affirmative and explained that that condition had been expressly stated by both the proposer of the resolution, Mr. Johnson, and the leader of the Democratic minority, Mr. Robinson. A correspondent asked if, in any event,

-3-

it was not to be assumed, as in other cases, that any Senators who wish to see the documents confidentially may do so. In reply, the Secretary said he had always taken that position. When a correspondent referred to the documents to be furnished to the committee, the Secretary interrupted him to explain that it was a Senate resolution asking him to furnish the documents to the Senate--a different situation. The correspondent asked, in that case, in whose charge the Secretary could put the confidential documents. In reply, the Secretary said we could not send confidential documents to the Senate, since that means that the documents sent become public.

In reply to an enquiry as to the last previous instance, the Secretary said it was when all the papers regarding the London Naval Treaty were requested and there was full discussion.

SINO-JAPANESE SITUATION

A correspondent asked if any information had been received from Paris regarding the appointment of the commission of enquiry in the Manchurian situation. The Secretary replied in the negative.

M. J. McDermott.

(NOT FOR THE PRESS)
(FOR DEPARTMENTAL USE ONLY)

Department of State
Division of Current Information

MEMORANDUM OF THE PRESS CONFERENCE, SATURDAY, DECEMBER 19, 1931

At the press conference this morning Under Secretary Castle announced the release of a report by Dr. James Brown Scott on the Inter-American Congress of Rectors, Deans and Educators in General which was held in Havana.

SINO-JAPANESE CONTROVERSY

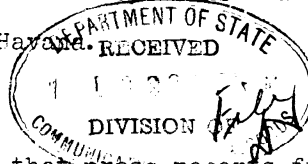
A correspondent observed that press reports from the Far East, one of which was to the effect that the Japanese Foreign Office ordered General Honjo to demand that the Chinese evacuate Chinchow, were very alarming. Mr. Castle said he had been told about the press reports just before the conference, but that the Department had received no information on the matter. The correspondent said there were reports of a punitive expedition by the Japanese against Chinchow. He added that he understood the United States had taken a very definite position that the Japanese should not take Chinchow and asked if this Government would invoke the Kellogg Pact again if the Japanese insist on moving on Chinchow. The Under Secretary replied that if, as the correspondent said, we had taken the position the Japanese should not take Chinchow it would mean we would have to go to war, if they should take that city. We have, however, done nothing of that sort. We have repeatedly told the Japanese that we felt it would be very unfortunate if they moved any farther, but that is all we have told them. A correspondent asked if we had told the Japanese that we viewed the report that they would move on Chinchow with grave apprehension. In reply, the Under Secretary said he thought we were careful not to use that expression. A correspondent said that the word "apprehension" had been used.

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DEC 28 1931

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Mr. Castle did not remember definitely whether the word had been used, but the conversations were all informal in any case. A correspondent remarked that the fact remained that we were very much against the occupation of Chinchow. Mr. Castle said we feel it would be very unfortunate--so does the League of Nations and so does everybody else. The correspondent said that he and his colleagues really wanted to know what further step we could take or would take in that particular instance. In reply, Mr. Castle said he did not know and would be quite unwilling to comment on what we might do. For one thing, we do not know what is really happening. The commission of enquiry is going out to Manchuria and, according to M. Briand's statement, the commission will look into the whole situation, if the Japanese have not by that time moved back into the railway zone. NOT FOR ATTRIBUTION, because of being pure speculation, the Under Secretary said that, despite further movements of the kind mentioned, all the nations might feel that so long as the commission will go shortly to Manchuria they had better wait until the commission reaches the spot. A correspondent said he thought that would be the case even though the Japanese should occupy Chinchow. The Under Secretary agreed. A correspondent said that the commission might face an accomplished fact when it arrives. Another correspondent said it looked to him as though the commission would get there in time to give its blessing to Japanese occupation of Manchuria. NOT FOR ATTRIBUTION, Mr. Castle said he was glad there was no danger of his being a member of the commission.

A correspondent referred to the article which appeared in this morning's press to the effect that the State Department had indicated unofficially and informally to the League its approval of Mr. Hines' appointment as the American member

-3-

of the commission of enquiry. In reply, Mr. Castle said that rather than indicating our approval, we telegraphed to Consul Gilbert to say to Sir Eric Drummond that we had no objection to Mr. Hines' appointment. A correspondent enquired whether Mr. Hines had discussed his appointment with the Department. The Under Secretary replied in the negative. A correspondent enquired when the message from the Department went forward. In reply, Mr. Castle said it was sent yesterday after the press conference. The Under Secretary explained that all our communications to the League go through Mr. Gilbert or Mr. Wilson, the American Minister at Berne.

A correspondent referred to a press report to the effect that this government had authorized Ambassador Forbes to discuss the matter of the advance on Chinchow with the Japanese. He asked if he would be justified in saying that it was an informal invoking of the Nine-Power Pact or the Kellogg Pact. Mr. Castle replied in the negative. There have been no new instructions to Mr. Forbes who knows the attitude of this government and who is authorized, if he feels there is likely to be an advance on Chinchow, to go again to the Foreign Office and say he wants to repeat what he said before--that such an advance would most certainly have a very bad effect on world opinion. A correspondent enquired whether Ambassador Forbes had called at the Japanese Foreign Office in connection with the reported advance. Mr. Castle said he had not done so specifically in connection with the matter. He has taken it up with the Foreign Office, but not within the last week or so.

A correspondent referred to the Japanese ultimatum to the Chinese to withdraw from Chinchow and said that he had understood before that Japanese occupation was because of the Japanese railway and the Japanese interests involved.

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He pointed out that in Chinchow there is no Japanese railway and then asked on what basis the Japanese asked the Chinese to withdraw from there. In reply, Mr. Castle said he could not say because he did not know. He supposed that the only basis would be what the newspapers had repeatedly said, that the Japanese felt the Chinese army at Chinchow was organizing bandit raids outside of that region. He cautioned the correspondents that he was not saying there was anything to those reports, but he knew of no other argument. A correspondent pointed out as one reason the fact that Chinchow is the temporary seat of the Manchurian Government and, despite the resignation of Chang Hsueh-liang, his organization is still there. The Under Secretary remarked that the Japanese could hardly use that as an excuse for an advance. He added, NOT FOR ATTRIBUTION, that no one knew what all those things meant.

DEBTS AND REPARATIONS

A correspondent enquired whether the American Government had been apprised of the British note to France regarding the reparations situation. In reply, the Under Secretary said he had read the press report, but that the Department had received no official notice of any kind.

M. J. McDermott.

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

NAVY DEPARTMENT
OFFICE OF NAVAL INTELLIGENCE
WASHINGTON

In reply refer to No.
Op-16-B-12

18 December 1931.

Memorandum for Far Eastern Section-State Department.

The following was received from Naval Attache, Peiping, dated December 17, 1931:

RESIGNATION YOUNG MARSHAL VICE COMMANDER CONFIRMED APPOINTED
CHAIRMAN PEACE PRESERVATION COMMITTEE NORTH CHINA. RESIGNATION T. V.
SOONG FINANCE MINISTER AND CHAIRMAN SPECIAL FOREIGN AFFAIRS COMMITTEE
CONFIRMED. TSANG SHIH YI FORMERLY CHAIRMAN LIAONING PROVINCE LATELY
CONFINED BY JAPANESE NOW RELEASED AND REINSTATED AT MUKDEN. THIS PRO-
BABLY INDICATES EARLY JAPANESE DRIVE SOUTHWARD ON PRETEXT CLEARING
UP BANDIT SITUATION SOUTH MANCHURIA. CHINESE RESISTANCE OUTSIDE WALL
DOUBTFUL. RUMORED THAT MIXED BRIGADE WILL BE SENT FROM JAPAN TO DAIREN
WITH TWO BATTALIONS TO TIENTSIN IN VIEW PROBABLE DISORDERS FOLLOWING CHANG'S
RESIGNATION.

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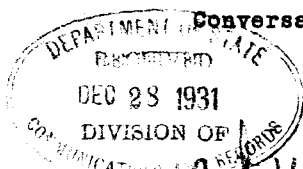
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DEC 23 1931

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DEPARTMENT OF STATE
DIVISION OF FAR EASTERN AFFAIRS

December 23, 1931.



Conversation.

The Secretary of State.

Dr. W. W. Yen, Chinese Minister.

(Present: Dr. Hawking Yen and Mr. Hornbeck.)

DEC 24 1931
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The new Chinese Minister, Dr. W. W. Yen, called to present his credentials.

The Secretary of State greeted Dr. Yen with expression of his pleasure in renewing acquaintance begun in China. Dr. Yen expressed himself reciprocally.

Dr. Yen said that when he was appointed Minister to the United States it had been expected that he would arrive some time next spring. In view, however, of the critical situation which had arisen in Manchuria, his Government had desired that he come on at the earliest possible moment. So now he was here. He then spoke at some length with regard to events in Manchuria and referred to indications of Japanese policy, treaty obligations and the well-known traditional policy of the United States.

The Secretary of State said that the problems presented were very difficult, we had been working very hard upon them, and that we had them very much upon our minds.

Dr. Yen said that he wished to be helpful in any possible relationship. He said that he had telegrams from Nanking expressing great apprehension with regard to the situation

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

- 2 -

tion at Chinchow against which the Japanese were apparently preparing an attack. He said that our Minister to China had been informed.

The Secretary said that he was glad that Dr. Yen was here.

SKH

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1605

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 Department of State letter, August 10, 1972
 By Milton O. Gustafson NARS, Date 12-18-75

1-138
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1-138
 TO BE TRANSMITTED
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 NONCONFIDENTIAL CODE
 PLAIN

Department of State

1931 DEC - 23 - Washington,

December 23, 1931.

AMERICAN CONSUL,
 GENEVA (Switzerland).

140
CONFIDENTIAL.

Reference previous communications regarding Chinchow.

Inform Drummond in confidence of the following:

On December 22, French Ambassador informed me that
 M. Briand had instructed French Ambassador in Tokyo to
 make representations to Japanese Government in connection
 with this situation and urge upon Japanese Government its
 responsibilities and obligations under Resolution of
 Council of League December 10.

On same date, I instructed American Ambassador,
 Tokyo, to express to Minister for Foreign Affairs my
 solicitous concern.

Text of opening paragraph is as follows:

QUOTE News despatches and reports from a variety of
 official sources, are to the effect that responsible Japa-
 nese authorities are seriously contemplating action in
 connection with the continued presence of the regular Chi-
 nese military forces at and south of Chinchow in Manchuria,
 measures which, if followed through to their logical conclu-

Enciphered by _____

Sent by operator _____ M., _____, 19____, _____

Index Bu.—No. 50.

U. S. GOVERNMENT PRINTING OFFICE: 1928 1-138

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1606

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

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NONCONFIDENTIAL CODE
PLAIN

Department of State

- 2 -

Washington,

sion, would in all probability lead to renewal of armed hostilities. In the presence of these reports, I feel called upon, as a part of friendship, again frankly to convey to the Japanese Government expression of my apprehension UNQUOTE.

Text of concluding paragraph is as follows:

QUOTE I feel that news of a new attack by Japanese armed forces in Manchuria upon Chinese regular armed forces would have a most unfortunate effect on world opinion. I feel that it would be regarded as unwarranted and would be interpreted as indicative of indifference to obligations assumed in the Resolution of the Council of December 10 and obligations of long standing in various treaties to which Japan and China, as well as the United States, are parties UNQUOTE.

✓
OK
Dec. 23 1961

Stinson
Wdy

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Sent by operator _____ M., _____, 19____, _____

Index Bu.—No. 80.

U. S. GOVERNMENT PRINTING OFFICE: 1959 1-1280

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DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

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Department of State

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NONCONFIDENTIAL CODE ☒
PLAIN

1931 DEC-2

Washington,

December 23, 1931.

AMEMBASSY,

DEPARTMENT
DIVISION
COMMUNICATION

TOKYO (Japan).

275

The NEW YORK HERALD-TRIBUNE of December 21 carried
an editorial under the caption QUOTE The Chinchow
Ultimatum UNQUOTE.

This editorial stated, in part, that

QUOTE Secretary of State Stimson's reminder to the
Japanese Foreign Office through Ambassador Cameron Forbes
that a Japanese advance on Chinchow would have an unfavor-
able effect upon world opinion UNQUOTE QUOTE has
to be construed with the fact in mind that Japan signed
the League Resolution because Ambassador Dawes got from
Dr. Alfred Sze and passed along to the Japanese an assur-
ance that the Chinese garrison would withdraw from the
Chinchow area, UNQUOTE.

The editorial stated further:

QUOTE It was Mr. Dawes who persuaded Mr. Matsudaira to
be content with reading a reservation of the Japanese right
to action into the minutes in exchange for an assurance
from Nanking, conveyed by Dr. Sze through Mr. Dawes, that
the Chinese would withdraw UNQUOTE.

Enciphered by _____

Sent by operator _____ M., _____, 19____, _____

Index Bu.—No. 50.

U. S. GOVERNMENT PRINTING OFFICE: 1935 1-128

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DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

1-138
PREPARING OFFICE
WILL INDICATE WHETHER

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NONCONFIDENTIAL CODE
PLAIN

Department of State

Washington,

- 2 -

QUOTE The accredited agent of the State Department was, in other words, a responsible party to this arrangement For this reason, if for no other, the Stimson message cannot be interpreted as foreshadowing an American protest, but as informal friendly advice having no bearing on policy UNQUOTE.

Insofar as these statements purport to be statements of fact, they are false. As you know, no such assurances were given to Dawes or conveyed by him and no such arrangement was made.

I assume that you clearly understand both my attitude and policy with regard to the Chinchow matter and that you have made them clear to the Japanese authorities. If the above quoted statements or similar statements are in any connection cited to you, you should declare them false.

Repeat to Peiping for relay to Nanking.

Stimson
W.H.

CH
Stimson
Dec 23. 1931

FE:SKH/ZMF

Enciphered by _____

Sent by operator _____ M., _____, 19____

Index Bu.—No. 50.

U. S. GOVERNMENT PRINTING OFFICE: 1925 1-138

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

MET

This telegram must be closely paraphrased before being communicated to anyone.

FROM

Peiping

Dated December 29, 1931

Rec'd 6:17 a.m.

Secretary of State,

Washington

1146, December 29, 3 p.m.

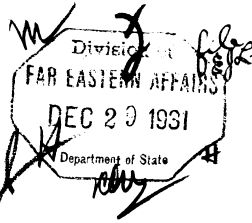
CONFIDENTIAL.

Military Attache has telegraphed from Chinchow that the Chinese military authorities have ordered the railway company to assemble 150 cars and 6 locomotives Chinchow. It is his opinion that the Chinese troops are about to withdraw inside the wall.

Repeated to Tokio.

JOHNSON

McL-HPD



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793.94/3340

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JAN 1 - 1932

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DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

Paraphrase

Telegram dated December 29, 1931, from Peiping,
reads substantially as follows:

The American Minister has received report from
Military Attaché at Chinchow that Chinese military
authorities have ordered railway company to assemble
six locomotives and one hundred and fifty cars at
Chinchow. Military Attaché is of opinion that Chinese
forces are going to withdraw inside the Wall.

JOHNSON

#

TELEGRAM RECEIVED

MET

FROM

GRAY

Peiping via N.R.

Dated December 29, 1931

Rec'd 4 a.m.

Secretary of State,

Washington

1144, December 29, 1 p.m.

Legation's 1137, December 28, noon.

Following from American Consul General at Mukden:

"December 28, 1 p.m.

Referring to my telegram of December 27, 1 p.m.,
Japanese press circles report that Japanese forces, com-
prising three infantry regiments, one field artillery
battalion and two cavalry squadrons left Tienchuantai
this morning and are proceeding along the railway toward
Kowpangtza. No official information released".

"December 28, 8 p.m. Headquarters reports clash
between Japanese forces and 2000 Chinese near Tienchuantai
this morning. Chinese fled toward Panshan".

JOHNSON

HPD_WSB

Division of
FAR EASTERN AFFAIRS
DEC 29 1931
Department of State

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JAN 4 1932

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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

MET

FROM

BRAY

Peiping via N.R.

Undated

Rec'd December 29, 1931,
4 a. m.

Secretary of State,

Washington

1145.

Following from Military Attache at Chinchow:

"Chinese headquarters reports. Japanese aircraft
observed over Ihsien on December 27, 10 a.m. On 28th
Japanese troops three miles south Tawo with armored train,
ten armored cars, eight armored trucks, sixty cavalry.
Japanese aircraft dropped six bombs on position of Chinese
armored train at Tawo. Train not hit, returned fire.
Four hundred Japanese cavalry on left of Chinese position
at Tawo".

HPD_WSB

JOHNSON

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FAR EASTERN AFFAIRS
DEC 29 1931
Department of State

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JAN 4 1932

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note
894.23

TELEGRAM RECEIVED

MET

Office of Economic Adviser
DEC 30 1931

Tokio

FROM

Dated December 29, 1931

Rec'd 8:45 a.m.

Secretary of State,

Washington

284, December 29, 4 p.m.

Last night Thomas of the National City Bank reported that information about operations in regard to speculations with gold dollars given out, he believed by the Vice Minister of Finance, as a political maneuver to discredit Inoue, the retiring Minister of Finance, has unjustly inflamed public opinion against the National City Bank to an extent that is injuring their business and has resulted in his receiving an anonymous threat to bomb the bank. I am having this verbally brought to Nagai's attention.

This morning the Chinese Charge d'Affaires asked for the purport of the Japanese reply to our memorandum of December 24. I replied that that could be given out in Washington. He also asked if we had any information about the movements of Japanese troops; he was told that we were not at liberty to pass on to him information given us by the General Staff.

The

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JAN 7 1932

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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

MET

2-#284 from Tokio, December 29,
1931.

The newspapers have been informed by the Foreign Office of my representations to Inukai about the Japanese interference in Manchuria with neutral business. Articles evidently inspired by the Foreign Office, appearing in the daily papers refer apparently directly to my representations to the Government and state that all genuine American claims will be satisfied by the Japanese Government, and that neutrals will be indemnified for losses sustained as a result of Japanese military activities in Manchuria.

FORBES

WWC-HPD

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Lustigsm NARS, Date 12-18-75

DOCUMENT FILE

NOTE

SEE 123 Gilbert, Prentiss B./56 FOR Tel # 665, Noon.

FROM _____ (_____) DATED Dec. 23, 1931.
TO France NAME 1-1127 ***

REGARDING: Documents relating to Paris meeting of the Council: instructed to supply Legation at Berne and Consul at Geneva with all - thought to be pertinent to the negotiations and necessary for information of the Chiefs at those two places.

wb

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Department of State letter, August 10, 1972
By Milton O. Lustigsm NARS, Date 12-18-75

DOCUMENT FILE

NOTE

SEE 893.00 P.R. Chefoo/51 FOR # to Leg'n/

FROM Chefoo (Webber) DATED Dec. 1, 1931
TO NAME 1-1127 o.p.

REGARDING: Chinese extensive defense preparations.

793.94/3345

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617
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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

LOCAL DEFENSE PREPARATIONS.

The close of the month found General Liu Chen-nien making extensive defense preparations. Trenches are this day being constructed along the summit of the range of hills near the East and West Forts, which guard the city. Further, the military Yamen in the city has been put in a state of defense; openings have been made in the walls to permit the use of rifles, and the rear of the walls have been reinforced with sandbags. It is reported that Admiral Chen Hsueh-lieh, commanding the Tsoai Squadron, has returned to Liu the breach blocks for the naval guns at the East Fort, taken away from here by the Chinese naval authorities in 1927. However, it is doubtful, on account of the age, lack of repair and general poor condition of these long range guns, whether they could be used now. As from Saturday, November 25th, the whole waterfront for a three mile stretch is being guarded after sunset every hundred yards by armed plain clothes men and uniformed police. While martial law has not been actually declared, yet all Chinese after dark are challenged and questioned for their reason for being in the streets. Foreigners are only challenged, and so far have not been inconvenienced or their movements restricted in any way.

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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

DOCUMENT FILE

NOTE

SEE 893.00 P.R.Canton/47 FOR #91 to Leg'n.

FROM Canton (Ballantine) DATED Dec. 3, 1931
TO NAME 1-1127 oyo

REGARDING: Feeling among students towards Japan becoming
more intense.

795.94/3346

Public Attitude Towards Japan.

Public feeling especially among students towards Japan growing out of the developments in Manchuria has tended to become more intense. On one occasion a delegation of students appealed to the Government to despatch an expeditionary force to Manchuria to aid General Ma Chan-ahon, and when it was explained that this was impossible in the absence of an arrangement with Chiang Kai-shek, the students started a campaign to collect funds to assist the General, who has become overnight a hero here. For two or three days the schools were let out to enable the students to solicit funds. They even entered offices and stopped vehicles on the streets. The students of Lingnan University alone are said to have raised several thousand dollars in this way. It would be interesting to learn how much, if any, of these contributions

eventually

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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

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eventually reached the General.

Lately the newspapers have been publishing naive accounts of the preparations being made by General Cheng Pe-kai, the "Ironside" commander, to lead his troops to Manchuria and of his intention to fight the Japanese to the bitter end.

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 Department of State letter, August 10, 1972
 By Milton O. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

COPIES SENT TO
 O.N.I. AND M.I.D.

MET

FROM

GRAY

Peiping

Dated December 29, 1931

Rec'd 12:55 p.m.

Secretary of State,

Washington

1148, December 29, 10 a.m.

793.94
 note
 843.23

Division of
 FAR EASTERN AFFAIRS
 DEC 29 1931
 Department of State

Marshal Chang Hsueh Liang at nine thirty this evening
 ordered withdrawal of all Chinese forces from Manchuria
 stating that he was motivated by a desire to deprive
 Japanese of any excuse for further aggression in North
 China. Evacuation of Chinchow has begun. This ends
 Chinese administration in Manchuria.

JOHNSON

OSB

F/DEW

793.94/3347

FILED

DEC 29 1931

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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

1-128
PREPARING OFFICE
WILL INDICATE WHETHER

Collect
Charge Department
OR
Charge to
\$

TELEGRAM SENT

Department of State

1001 DEC-29-1931 Washington,

DEPART December 29, 1931.

COMMUNICATIONS SECTION

TO BE TRANSMITTED
CONFIDENTIAL CODE
NONCONFIDENTIAL CODE
PLAIN

AMERICAN CONSUL,

GENEVA (Switzerland).

CONFIDENTIAL FOR GILBERT.

One. Under date December 29 the American Legation at Peiping reports that Military Attaché Margetts, telegraphing from Chinchow, states that the railway has been ordered by the Chinese military to have available at Chinchow 150 cars and 6 engines. Chinese troops, according to the belief of the Military Attaché, are on the point of withdrawing within the Great Wall.

Two. Under date December 29 the American Legation at Peiping reports as follows: QUOTE Marshal Chang Hsueh Liang at nine thirty this evening ordered withdrawal of all Chinese forces from Manchuria stating that he was motivated by a desire to deprive Japanese of any excuse for further aggression in North China. Evacuation of Chinchow has begun. UNQUOTE.

Three. Inform Drummond, confidential as to source.

Enciphered by FE:MMH:AT

FE

Sent by operator M., 19

Index Bu.—No. 50.

U. S. GOVERNMENT PRINTING OFFICE: 1920 1-128

793.94/3347

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Lustigson NARS, Date 12-18-75

TELEGRAM RECEIVED

DEPARTMENT OF STATE
JAN 2 1932
DIVISION OF
WESTERN EUROPEAN AFFAIRS
Dated December 29, 1931

FROM

GREEN
General

Rec'd 12:15 p. m.

Secretary of State,
Washington.

324, December 29, noon.

Avonol has handed me to be communicated for your confidential information the following letter dated December 24th from the French Government translated by this office:

"The following information has been received concerning the situation in the region of Chinchow:

Japanese troops occupied in the night from the 21st to the 22nd of December Faku which was not defended by any regular Chinese garrison. In the region of Newchwang Japanese forces estimated, respectively, at one patrol, at 200 infantry, and at 500 infantry and eight cannon, crossed the Liaoho during the days of the 20th, 21st and 22nd of December. On December 23rd fighting took place in the region of Faku and in the Newchwang zone between regular Chinese detachments and Japanese troops; at 7 p. m. the 23rd news was received of the capture by a Japanese battalion, supported by a battery and by an armed train, of the village of Tienchwangtai located 25 kilometers

F/DEW

795.94/3348

JAN 4 - 1932

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REF

2- #324, from Geneva, Dec.29, noon.

meters west of Newchwang.

Information received indicates moreover that the attitude and the distribution of Chinese troops in the region of Chinchow have been changed. Formations of Mongol cavalry, estimated by the Japanese at 14,000 men, stationed in the region of Tungliao, are not only independent of the Government of Chinchow but are distinctly hostile. The bands of bandits in Manchuria are also not under the control of the Chinchow Government. On the contrary it is to offset these bandits that this Government has organized corps of volunteers."

GILBERT

WSB

HFD

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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

TELEGRAMS: { INTRIMMISSION, NEW YORK
INMISCO, LONDON

CODES: { MISSIONS
CHINA INLAND MISSION

TELEPHONE: { NEW YORK: CALEDONIA 5-9137
LONDON: SLOANE 1425

INTERNATIONAL MISSIONARY COUNCIL

Composed of Representatives appointed by

NATIONAL MISSIONARY COUNCIL OF AUSTRALIA
SOCIÉTÉ BELGE DE MISSIONS PROTESTANTES AU CONGO
NATIONAL CHRISTIAN COUNCIL OF CHINA
CONSEIL PROTESTANT DU CONGO
DANSK MISSIONSRAAD
DEUTSCHER EVANGELISCHER MISSIONSBUND
SOCIÉTÉ DES MISSIONS ÉVANGÉLIQUES DE PARIS
CONFERENCE OF MISSIONARY SOCIETIES IN GREAT
BRITAIN AND IRELAND

NATIONAL CHRISTIAN COUNCIL OF INDIA, BURMA, AND
CEYLON
NATIONAL CHRISTIAN COUNCIL OF JAPAN
KOREAN NATIONAL CHRISTIAN COUNCIL
COMMITTEE ON COOPERATION IN LATIN AMERICA
NEAR EAST CHRISTIAN COUNCIL
COMMISSIE VAN ADVIES (THE NETHERLANDS)
NETHERLANDS INDIA
NATIONAL MISSIONARY COUNCIL OF NEW ZEALAND
NORSK MISSIONSRAAD

FOREIGN MISSIONS CONFERENCE OF NORTH AMERICA
(UNITED STATES AND CANADA)
NATIONAL CHRISTIAN COUNCIL OF THE PHILIPPINE
ISLANDS
NATIONAL CHRISTIAN COUNCIL OF SIAM
MISSIONARY SOCIETIES OF SOUTH AFRICA
SUOMEN LAHETYSEUVOSTO
SVENSKA MISSIONSRADET
ASSOCIATION OF MISSIONARY SOCIETIES IN SWITZER-
LAND

Secretaries:

J. H. OLDHAM
WILLIAM PATON
A. L. WARNSHUIS

Chairman: JOHN R. MOTT, 230 Park Avenue, New York City

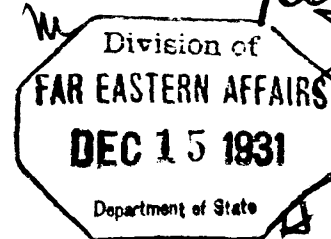
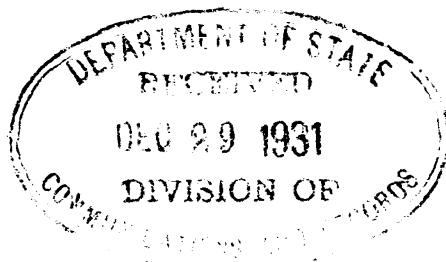
London Office: 2 Eaton Gate

Assistant Secretaries:

MISS B. D. GIBSON
MISS ESTHER STRONG

December 14, 1931.

NEW YORK OFFICE
419 FOURTH AVE.



Dr. Stanley K. Hornbeck,
State Department,
Washington, D. C.

My dear Hornbeck:

Bishop Bashford, shortly before his death, deposited a manuscript with the Missionary Research Library in which he related his experience in connection with the twenty-one demands of Japan in 1915. He requested that this manuscript should be kept until such a time as there might be reason to refer to it. Mr. Fahs, the Curator of the Library has recently given me a copy of this manuscript in response to my request that it ought to be on file in the Department of State. I enclose a copy herewith.

Yours very sincerely,

A. L. Warnhuis

Enc.
ALW/MHS

MAY 17 1932

FILED

J. B. Bashford.

JAPANESE AGGRESSION IN CHINA.

In the fall of 1914 I visited Tokyo, Japan, in the interest of the Chinese Church, for which I have had the responsibility since 1907. Bishop Harris asked me if I would not like to have an interview with Count Okuma, then Premier of Japan. I said: "Did Count Okuma suggest this interview?" He smiled and said; "Yes." I replied that I would be glad to have an interview with him and suggested that Dr. Frank Mason North of the Board of Foreign Missions and Dr. William I. Haven of the American Bible Society accompany me. The interview was arranged for the next day.

Count Okuma's object in the interview was to convey through me a message to China which would keep China from declaring war or making trouble over the invasion of China by Japanese troops, who were trying to reach Kailash, or Tsingtao, from the rear and were thus violating the sovereignty of China as Germany violated the sovereignty of Belgium.

During the interview Count Okuma said: "There will be no war with China so long as I am Premier." Again he affirmed a little later: "Japan will be guilty of no aggression upon China while I am Premier."

Returning to China I did not immediately call upon the Chinese Government and deliver Count Okuma's message, but waited until I could make up my mind as to the wisest advice to give to China. On account of this delay Dr. Hioki, Japanese Minister, called upon me a few days after I reached Peking, saying that he had just received a cablegram from Count Okuma directing him to call upon me and requesting me to state to Dr. Hioki the substance of his interview with me.

As I thought Dr. Hioki belonged to the war party and Count Okuma to the peace party, I stated very clearly Count Okuma's pledge to me. Dr. Hioki wished my judgment more fully as to the wise attitude for Japan to maintain toward China, next toward Russia, next toward Great Britain,

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and lastly toward the United States. He spent the entire afternoon with me asking questions and listening to my statements upon this subject. I tried to show that the wise policy for Japan was to maintain peace so far as possible with all these nations and to become the commercial and industrial leader of the Far East and so far as possible of the Pacific Basin, as Great Britain had been the industrial and commercial leader in the Atlantic Basin, and to secure the intellectual and moral hegemony of the Far East, instead of striving for political domination through force.

As I was very hurried in preparations to start on a tour of West China I completed the preparations in the next three or four days and called at Dr. Hioki's office and told him that I must take a train in a short time and had only time now to pay my respects, but that I would return his call and have a further conversation with him when I came back from Szechuan in the spring.

After Dr. Hioki's call I called upon Admiral T. K. Tsi and told him that I came with a message from Japan for the truthfulness of which I was no more responsible than a messenger who delivers a telegram. I then told him of the interview with Count Okuma and with my later interview with Dr. Hioki. I think Admiral Tsi carried this news to Yuan Shih-kai and then came to me for a second interview. At any rate, Admiral Tsi told me that Yuan Shih-kai wanted to know my judgment as to whether Count Okuma would keep his pledge. I told him that I thought Count Okuma was honest in making the pledge and that he would gladly keep it if he could, but that in my judgment Count Okuma would be forced, either to make some large demands upon China or else that he would be forced out of office, and the military party would secure the leadership in Japan. He asked me what I would do if I were in his place and if Japan made large and unjust demands. I told him that while he could not make a long stand against a ^{Japanese} Chinese invasion, and while China would soon lose the coast cities and Peking, nevertheless he

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could wage such a war as the Americans waged during the Revolution, as the Spaniards and Russians waged against Napoleon, as the Boers waged in their recent war against Great Britain, and as one Chinese general waged in Fukiens against an invasion from Formosa; that he could destroy railways and all that was valuable to the enemy, continually falling back and waging guerilla warfare; and that if he once set the example of guerilla warfare the Chinese would follow it all over the nation and that with the lack of railways and the great size and population of China as compared with Japan, I was sure the Japanese never could subdue the Chinese people. I learned afterward from ^{at} Admiral Tsi that this advice furnished Yuan Shih-kai great comfort and that he talked over the plan three or four times with ^{at} Admiral Tsi during the winter and assured him that he would follow it in case Japan was guilty of aggression upon China.

I then hastened my preparations for the trip to West China, reaching Peking in a few days.

On coming back from West China in February I continued on the boat down the Yangtze to Shanghai in order to meet the executive members of the Continuation Committee. Before reaching Shanghai I had been somewhat alarmed by reports appearing in the newspapers of some very serious demands which Japan had made upon China. On reaching Shanghai I received a letter from Dr. H. H. Lowry of Peking telling ~~me that~~ the Chinese Government had called for me and desired my immediate return to Peking. Dr. Lowry said that ^{at} Admiral Tsi had informed him that Japan had made 21 Demands upon China and that the last seven of these, called Group 5, practically transferred the sovereignty of China to Japan. Dr. Lowry urged me to return to Peking as soon as possible.

As the events had occurred which I feared in the preceding fall would happen, and as I had already given Yuan Shih-kai all the advice I could now give, it seemed to me wiser to tarry for the meeting of the Exec-

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utive Committee and see if I could not devise some plan for interesting America on China's behalf. I arranged an interview with Bishop Rootz, Chairman of the Executive Committee, told him what had happened and also informed him that I was disposed to break the rules, both of the Government and of the Missionary Societies, by interfering in political affairs far enough to inform our Government, through the American Minister, of what was transpiring in China and to urge the Government to launch a strong protest with Japan against her demands upon China.

After discussing the matter Bishop Rootz said: "I know that you stand in a confidential relation to the Chinese Government and have information which the rest of us do not possess. Hence, if you feel sure of your ground and wish to send such a message to the Government, I will join you in sending it." I urged him also to see Bishop Graves and secure his consent to sign such a message. He canceled an engagement to dinner to call that evening, went out to St. John's College, met Bishop Graves and did not return until midnight. After returning he blocked out a short statement to the American Government.

In the morning he told me that Bishop Graves was deeply concerned; that he would sign a very conservative statement provided he could approve its contents and form, and showed me a statement which he thought Bishop Graves would sign. I asked him to let me revise the statement and I directed it to Dr. Heinsch, our Minister to China. I opened it with an introduction somewhat as follows: (As I am dictating entirely from memory without access to the letter which Mr. Lowry wrote me, or the cablegram which we framed for our Government, I cannot give the exact language used, but I am quite sure that I am giving the substance of these documents.)

"If Japan has made no demands upon China, or if she has made demands and these demands do not trespass upon the sovereignty of China, please do not send the accompanying dispatch to Washington. On the other hand, if

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Japan has made Demands which seriously threaten the sovereignty of China, please send the following dispatch to Mr. Bryan with the signatures attached."

This form of introduction put the responsibility for the genuineness of the 21 Demands upon Dr. Reinsch. I was sure that he had been consulted by the Chinese Government and that he would know whether or not such Demands had been made, and this introduction led Bishop Graves and the representatives of other churches freely to sign the dispatch to the United States Government. I then took the paper to our Consul-General at Shanghai who had spent several years in Japan and who had a high opinion of the Japanese. He first told me that he was sure that Japan had made no such Demands upon China. On my assuring him that I could personally vouch for the Demands he said he would send our request and our dispatch to Dr. Reinsch for me and he himself suggested adding to the dispatch a few words of the very serious effect Japanese intervention in China would have upon our commerce with the Chinese. I thought the suggestion was a good one and incorporated it. Bishop Root then took the paper as revised by myself back to Bishop Graves who readily signed it, and also to Dr. Hawks-Pott who also signed it. This made three representatives from the Protestant Episcopal Church. I then took the paper to Dr. A. P. Parker of the Methodist Episcopal Church South, told him the facts and he signed it. I also secured the signatures of the following additional persons:

Dr. Chambers, ^{Chair}man of the Baptist Council at China.

Dr. Garrett, Acting Moderator of the Presbyterian Assembly for China.

Dr. Lobenstine of the Presbyterian Church.

Later I secured the signature of Dr. Arthur Smith of the American Board. Dr. Gamewell and myself signed it for the Methodist Episcopal Church.

These interviews and the signing of the paper occurred between February 20 and 25, 1915.

On February 25th I started for Peking, arriving there February 27.

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
 Department of State letter, August 10, 1972
 By Milton O. Gustafson NARS, Date 12-18-75

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February 28th I called on Dr. Reinsch but he was not in. March 1st I had an important interview with Dr. Reinsch in which he told me that he had forwarded the dispatch to the American Government. He urged me to write to Melville E. Stone, Secretary of the Associated Press, to call upon Dr. Hiroki and to urge Prof. C. T. Wang and Prof. H. H. Kung not to influence the Chinese to violence, but to urge them to preserve calm in the face of Japanese aggression. I in return urged Dr. Reinsch to see Sir John Jordan and impress upon him the injustice of Great Britain sanctioning, of the part of Japan, outrages which are greater than the Demands made by Austria upon Serbia, but even the outrages inflicted by Germany upon Belgium. I did not ask Dr. Reinsch directly whether he and Sir John Jordan had been sent for by Yuan Shih-kai and consulted after Dr. Hiroki had called upon Yuan Shih-kai and presented the 21 Demands. I received from other sources the information that Dr. Hiroki had gone directly to Yuan Shih-kai with the Demands, and that after reading them to Yuan Shih-kai, the President asked the Japanese Minister if he had presented them to the Foreign Department. On his reply that he had not gone to the Foreign Department but had come directly to the President, Yuan Shih-kai informed him that China was a constitutional nation and that the Demands must be presented through the Foreign Office, but Dr. Hiroki, on taking his departure, had left a copy of the Demands upon the table and Yuan Shih-kai had called Sir John Jordan and Dr. Reinsch to confer with him over these Demands. It did not seem to me proper to ask Dr. Reinsch in regard to official matters on which perhaps he ought to preserve secrecy.

After returning from the call upon Dr. Reinsch with the promise to him that I would call upon Dr. Hiroki I was confronted with another difficulty.

Just before the Demands were presented upon China Dr. Hiroki had sent for Mr. Moore, the agent of the Associated Press, and Mr. W. H. Donald,

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It has been
my impression
that Moore
was in Peking
when the
demands were
presented

SAN

London Times, and told them that the Japanese
important function at such a time and had through
resent. The transportation, entertainment, etc.,
shed at Government expense and this would give
to learn more about Japan. Each man accepted the
, leaving a subordinate to attend to his duties
se these men out of Peking than Dr. Hiroki presented
-kai with no regular representative of either of
icies in Peking. I think the following morning
sen Dr. Hiroki and Yuan Chin-kai, some British su-
ordinate who was representing the London Times, gave
ands and also an additional copy for the represen-
Press, and directed both of them to cable the
Demands to the Times and the Associated Press. The Demands were so start-
ling that Mr. Stone of the Associated Press did not publish them until he
sent for Viscount Chinda at Washington and asked him if they were correct.
Viscount Chinda at once repudiated the Demands and a little later, I think,
secured a formal repudiation from the Government in Tokyo. Mr. Stone then
sent a sharp cablegram to Mr. Moore asking for his authority and chiding
him for sending Demands which might create a war without first being abso-
lutely certain that the Demands were genuine. The London Times sent the
same dispatch.

These men got back from Tokyo about the time I reached Peking,
namely, the last of February or the first of March, and both of them came
to me with their troubles. Mr. Moore had been greatly annoyed that his
subordinate had sent any such dispatches to America during his absence,
and asked him why he had not shown the Demands to Dr. Hiroki, etc., and
finally took his copy of the Demands to Dr. Hiroki and asked him if they
were correct.

-7-

the representative of the London Times, and told them that the Japanese Government was to have an important function at such a time and had through him invited them to be present. The transportation, entertainment, etc., would of course be furnished at Government expense and this would give them a fine opportunity to learn more about Japan. Each man accepted the invitation to visit Tokyo, leaving a subordinate to attend to his duties in Peking. No sooner were these men out of Peking than Dr. Hiroki presented the Demands to Yuan Shih-kai with no regular representative of either of these important news agencies in Peking. I think the following morning after the interview between Dr. Hiroki and Yuan Shih-kai, some British authority sent for the subordinate who was representing the London Times, gave him a copy of the 21 Demands and also an additional copy for the representative of the Associated Press, and directed both of them to cable the Demands to the Times and the Associated Press. The Demands were so startling that Mr. Stone of the Associated Press did not publish them until he sent for Viscount Chinda at Washington and asked him if they were correct. Viscount Chinda at once repudiated the Demands and a little later, I think, secured a formal repudiation from the Government in Tokyo. Mr. Stone then sent a sharp cablegram to Mr. Moore asking for his authority and chiding him for sending Demands which might create a war without first being absolutely certain that the Demands were genuine. The London Times sent the same dispatch.

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-7-

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Mr. Donald, the London Times representative, also came to me, bringing a copy of the Demands as they had been received by his subordinate and telling me that he had received a sharp rebuke. Both men had sent their resignations - one to London and the other to New York.

Dr. Hioki promptly repudiated the demands, assuring Mr. Moore that they were utterly false. Mr. Moore, however, had traced the Demands back to such a source as led Mr. Moore to feel very confident that the Demands were true. I did not ask Mr. Moore for the source of the information because it would be contrary to professional etiquette for him to reveal the source, but as I now contemplated a visit to Dr. Hioki and remembered that he had utterly repudiated the Demands, I felt sure that he could again repudiate them and chide me for coming to him with a false and unjust accusation against Japan. I therefore asked James Lewis, my secretary, to go down once more and see Dr. Reinsch to get information as to the decline in American trade in Manchuria since Japanese occupation and to ascertain whether Dr. Reinsch's information as to the Demands came direct from Yuan Chih-kai. Dr. Reinsch dropped a clue in his response to Mr. Lewis which showed that he had been with Yuan Chih-kai. He also told Mr. Lewis that he had seen photographic copy of the 21 Demands in Japanese and that he had a translation of them. Going into another room and comparing it with his translation, he replied to Mr. Lewis: "Bishop Bashford, in showing the Demands to Dr. Hioki, need have no fear that he is making a false charge against Japan."

With this information I called upon Dr. Hioki, began with strong statements of the pleasure which his call of the preceding fall had given me and of the confidence which he had established by consulting me upon the relations of Japan with the other countries, etc., etc., and then said that as Japan had made 21 Demands upon China I wanted to talk with him frankly in regard to them and immediately entered upon my first statement

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to the effect that Japan could easily capture the port cities of China and capture Peking, but that Japan had been in Formosa since 1395-6 and had not yet subdued that island, although the island was small and she had a railway, and that she was still holding the island simply through military force. I added that if at the end of eighteen or twenty years they had not subdued an island of 3,000,000 people, how long would it take Japan to traverse the entire region of China and subdue 400,000,000?

I pointed out the fact that the Chinese in the Szechuan Province had resisted the Manchurian dynasty in the seventeenth century until they lost one-quarter of their population; that the Province now numbered some 63,000,000 people; that they were 1500 miles from the coast and 1000 miles from the nearest railway; that I had just been through the Province and found some excitement and intense hatred of Japan and that if that single Province fought as desperately against Japan as she had resisted the Manchurians, Japan could not subdue that Province alone in half a century.

I also pointed out the fact that the Chinese had fought in the Taiping Rebellion until they had lost in all some 20,000,000 people. I again impressed upon Dr. Hioki that a people so numerous, so warlike in spirit and so given to guerilla warfare could never be subdued and assimilated by the Japanese nation. Second, I pointed out the fact that foreign nations would not permit Japan to dominate China; that if Japan once accomplished this task she would at once become a menace to the peace of the world; and that I was sure other nations would order her out of China as they compelled her to give up Port Arthur, after she captured it from China in 1895-6. and that I hoped Japan would not put herself in a position where she would be subject to such humiliation. In the third place I pointed out the very heavy indebtedness of Japan and tried to show that her true policy was that of commercial and industrial leadership, such as England had exercised during the nineteenth century, and above all intellectual and moral

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leadership.

Dr. Hiohi sat like a stone image listening to my remarks and he had not interfered to contradict them. At the close of my remarks which lasted nearly half an hour, he did not contradict the statement that Japan had presented the 21 Demands against China, but said that I had been very bold in coming to him upon this subject, and that he thought I had come, not in the interest of China, alone, or of America alone, but in order to preserve peace between the three nations, and he thanked me for coming.

I thanked him most profusely for his appreciation of my motives. He then added under considerable agitation, "I fear that Japan is following the German policy too far, but what can I do? I must obey the orders of my Government." I said, "You, like every other man, must make your own choice and determine your destiny. Were I asked to represent my Government in a course which I believed to be wrong and very dangerous to the Government, I should protest against the discharge of such a duty and should resign my post." I arose and departed at once.

Soon after I called on Dr. Reinsch and learned that he had seen Sir John Jordan: that the latter was almost broken-hearted over the course Japan was pursuing, and that he felt that England was losing, or was in grave danger of losing in the Far East, all that she had struggled for a century to gain; and that he had added in substance that England was in a life-and-death struggle with Germany and that America must, if possible, save China: that a break with China upon the part of England at the present time would be fatal to all her interests in the Far East and possibly in India and Australia. Dr. Reinsch suggested that I write a letter to Melville E. Stone of the Associated Press with whom I have been in confidential relations for some years.

After the interview with Dr. Reinsch I wrote a four-page letter to Mr. Wilson enlarging upon the dispatch which we had sent to the State Department through Dr. Reinsch. I stated briefly why I thought a protest

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should be lodged with Japan against her 21 Demands, etc., closing with the statement that I was sending the Demands and a longer letter to Mr. Bryan. I then wrote Mr. Bryan giving the 21 Demands and presenting the moral, political and commercial grounds which I thought demanded an earnest protest upon the part of our Government. On the other hand, I was clear that our Government ought not to make any threats of war with Japan because I felt sure that we could not carry troops 5,000 miles and wage a successful war against a warlike nation like Japan. I urged that our Government simply notify Japan that in case she pressed the Demands upon China the United States would present at the close of the present war her protest to the Hague Tribunal and that we would join the other Powers of the world in ordering Japan to surrender the suzerainty of China. I assured him that conversations with Japanese statesmen made me clear that Japan would not attempt to cross 5,000 miles of ocean and attack the United States. Hence, I could speak very freely with the Japanese Government without danger of Japan declaring war against us.

I also wrote a letter to Mr. Stone, though I cannot now recall the substance of it. I also wrote a letter to Professor Thailer Matthews, who was at that time president of the American Federation of Churches, and who had visited Japan in company with Dr. Sidney L. Gulick and who, with Dr. Gulick, was then making speeches in America very favorable to Japan. I enclosed a copy of the Demands telling him not to publish them, or give them out, but simply to be guided in his speeches by the fact that Japan had made such Demands upon China. I also gave him permission to show the letter and the Demands to Dr. Gulick.

After writing these letters I called upon Dr. George Morrison who was an adviser of Yuan-Shih-kai. He assured me that the information was important and that he would convey it to Yuan Shih-kai that afternoon. A day or two later I had an interview, I think in company with Mr. Lowry, with Admiral ^{ai} Tsi. In this interview I briefly narrated what had been done

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and showed him the message of about two-and-one-half pages which the leading American missionaries in China had sent to our Government. When Admiral Tsi^{ai} heard my statements he grasped my hand in both his and said: "I want to thank you in behalf of Yuan shih-kai, or rather China, and assure you that nations, as well as individuals, are capable of gratitude." Admiral urged in behalf of Yuan shih-kai that I should go to America at once and intercede for China. He also urged me to take money from the Chinese Government to cover my expenses and suggested that I take \$20,000 to begin with and draw on them for more after I reached America. I told him that I could not possibly go to America as the representative of China and hence could not accept a single dollar of Chinese money. He pressed this action upon me until I assured him, first, that I could go to America, but would go as the representative of my church and that I would not take a dollar of Chinese money, but that I would on reaching America, see Mr. Bryan and if necessary Mr. Wilson, in the interest of China.

After this interview I sent a telegram to Mrs. Bashford who had met me at Nanking on the way down the river and who was still in Shanghai, asking her to engage passage on the boat sailing the next Sunday and to wire me a full description of all the articles she wished me to pack in the trunk and bring for her, so that she might go with me to America. She answered that she had engaged the passage and directed me to bring a particular trunk which she had described, as her things were all packed for the voyage in that trunk. This was due to Mrs. Bashford's foresight in having everything packed for any emergency, because she had no thought on going South that we were to go on to America. Accordingly I left Peking March 23, 1915 and the next Sunday we took ship for San Francisco.

On the way home at Nagasaki I sent James Lewis to Mr. Guthrie, the American Ambassador of Japan, with a copy of the 21 Demands. He was very grateful for this copy - kept Mr. Lewis over an hour questioning him in

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regard to the Demands and my activities in China, etc. This was the first copy of the Demands which he had received and he had only the general rumor that such Demands had been made, but the answer of the Japanese to inquiries made by himself led him to assure Mr. Levis that I was entirely mistaken in regard to the existence of any such Demands.

On board the ship the Rev. H. Loomis gave me much of the early history of Admiral Tsi.

On arrival at Honolulu the representative of the Associated Press came to me with two messages which he had received from Mr. Stone - one saying that a message had been received from Osaka, Japan, that I was on the way to America as the representative of the Chinese Government; the other saying that there was a report that Japan had made some very unjust demands upon China and asking me, first, if this was true, and second, if Japan had made Demands to comment upon them. In reply to the first question I said that I had never been in Osaka and did not know how anyone in Osaka could know my plans; that I was on the way to America not as the agent of the Chinese Government, but in response to a call from the Missionary Society and requesting them to inquire for particulars at 150 - 5th Avenue, New York City. In regard to the Demands I said in substance: "Inasmuch as Japan stoutly denies having made any such Demands and inasmuch as the reported Demands are such as no civilized government would make upon another government, the fair attitude for Americans is to withhold judgment until they learn the facts."

We reached San Francisco April 19, 1915, and remained there from Monday to Wednesday evening because the presence of a bishop was required at the meeting of the Book Committee in order to confirm the election of James H. Joy as editor of the Christian Advocate. I wired Secretary Bryan saying that I could reach Washington Saturday afternoon or Monday morning. Preferred Monday morning. Received an answer from Mr. Bryan saying that he would be glad to meet me Monday morning at 10 o'clock.

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I had entirely overlooked a place of stopping in New York. Had simply wired Mr. North to meet me at the station. As Mr. North inquired what hotel I wished to stop at I told him I did not know, as the old Fifth Avenue Hotel had been destroyed. He suggested the Prince George and we went there and he and I went carefully over the Japanese Demands and the Japanese school policy in Korea. Dr. North heartily acquiesced in my view in regard to the crisis and at my earnest request went with me on the midnight train to Washington.

On April 25th, about three hours after we reached the Prince George Mr. Sidney Gulick called to assure me that he had seen Viscount Chinda with the copy of the Demands which I had sent to Chailer Hatcher and that Viscount Chinda told him that they were essentially false - that Japan had made some Demands but that these so-called Demands were in substance false. Mr. Gulick recognized the harshness and injustice of these Demands and insisted that Japan never would present such Demands upon China. He rebuked me for having come on a fool's errand. I replied that it would be wise to find out my errand before passing judgment. He said that I had come as the agent of China and I told him that statement was a falsehood, originating in Japan. He then asked eagerly whether or not I intended to go to Washington. I assured him that I did but that my visit to Washington did not make me the agent of the Chinese Government. He felt that it was very unjust to present these Demands to the State Department or to Mr. Wilson. I assured him that I had already forwarded them several weeks ago. He was deeply stirred over this and felt that I had treated Japan most unjustly and asked me if I would meet Viscount Chinda with him in Washington and learn the truth. I agreed to meet Viscount Chinda with him. He assured me that I would be a badly humiliated man. I told him that I had suffered some humiliations in the past and probably could endure one more. He seemed amazed that I still believed in the accuracy of my Demands.

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Dr. North and I met Dr. Sulick at the New Willard Hotel at 9 o'clock, April 26th. He told me that he had arranged for the meeting with Viscount Chinda at 10 o'clock. I told him I had an engagement with Mr. Bryan at 12 o'clock and would see Viscount Chinda with him later. I called on Mr. Bryan for a half hour at 10 a. m., taking precedence of a dozen men who were waiting to see him, on account of the engagement made the preceding week. After talking half an hour Mr. Bryan urged me to return at 1 p. m. and lunch with him and have a longer talk over the situation. He had read the 21 Demands which I had sent him and assured me that they were correct. He told me that he had not received these Demands from Viscount Chinda until the day before my copy reached him and that Viscount Chinda had assured him that part of the Demands were simply requests put forward as expressing the wishes of Japan. I told him that Chinda was attempting to deceive him at that point - that the whole 21 Demands were being pressed upon China under threat of doubling the Japanese troops in China and enforcing them unless Yuan Chih-kai would concede them. Mr. Bryan told me that the President had called for my 12-page letter after reading the 4-page letter sent to him. He said that he and the President both thought my fears in regard to Japan's action against teaching Christianity in the mission schools was unfounded and showed a slight bias against Japan. I called his attention to the capital qualifications of my statement on that point in my letter. I then told him of the decree of Mr. Taniyama found in the Nagasaki Press of March 30, 1915, ordering the mission schools to comply completely with the Government curriculum by excluding religious instruction and religious worship from the schools, giving them ten days in which to comply and announcing that they must be closed unless they then complied. Mr. Bryan was astonished at this decree and asked for a copy of it, which I later furnished him. I pointed out the fact that Japan had violated the Taishira agreement by presenting the 21 Demands against China before consulting our Government. Mr. Bryan admitted this but said that they had

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presented them a copy comparatively soon after they had been presented to China. I impressed upon Mr. Bryan in the two conversations - one at 10 and the other from 1 to 3 - that the only human agents who could prevent a war between Japan and China were President Wilson and himself, and that they must promptly let Japan know that the United States would feel deeply aggrieved over the use of force by Japan to secure these 21 Demands from China.

Dr. North found that the President had left positive orders that no one was to see him during the week and that he was out of town for the day in a quiet retreat studying the grave problems which confronted him. Hence, Dr. North did not try to make any engagement for me to see the President.

Dr. Gulick was greatly disturbed when I returned from the first visit to Mr. Bryan and told him that the 21 Demands had been presented to China in the terms which I had placed in Dr. Matynews' hands. He felt that Viscount Chinda had broken faith with him. I told Dr. Gulick that I did not wish to see Viscount Chinda with him. This was in accordance with Mr. Bryan's judgment, as well as my own, and Dr. Gulick was very glad to be relieved from the necessity of calling upon Viscount Chinda with me. Indeed he finally decided not to call upon him personally and returned to New York.

Dr. Gulick's call soon after I had reached the hotel in New York - a hotel which I had never heard of about until I landed at the station - led me to feel sure that Japan was keeping a careful watch over my movements. After going to the Pennsylvania Station and buying my ticket, I took a taxicab and called upon the Chinese Minister and placed the following in his hands to be cabled to Yuan Shih-kai. It was in substance as follows:

"Stand firm for cancellation or modification of all Japan's Demands which destroy or seriously threaten the sovereignty of China. Consider other points as far as possible."

The Chinese Minister, Shih Kai-fu, agreed to keep my name out of

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print and to send the message. He was much discouraged, told me he thought my message was dangerous and eagerly asked me if the United States would fight for China. I told him she would not, but that I felt reasonably sure Yuan Shih-kai could maintain the position which I advised him to hold. He wanted to know my grounds, but I told him I could not give them.

On April 27th I sent from the Palmer House, Chicago, a brief note to Mr. Bryan saying, "One of two courses speedily is inevitable unless you and Mr. Wilson prevent: either China will succumb and you will find Japan in possession of her 21 Demands, or war will actually break out."

As Mr. Bryan had spoken of the Demands as "preposterous", I urged him to say to Viscount Ginda that inasmuch as Ginda had assured him that Japan had no thought of exacting all these Demands, the United States would regard such exaction by threats of force as a violation of Japan's good faith with us. I am quite sure that in our conversation and in my first letter I had urged strongly upon Mr. Bryan the necessity of informing Japan that in case she enforced these Demands upon China, our Government would place the subject before the Hague Tribunal.

I heard a few days later that Japan, as a mark of her friendship, had yielded to the joint request of Great Britain and the United States and had dropped the 21 Demands upon China.

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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

FE

December 28, 1931.

Dear Dr. Warnshuis:

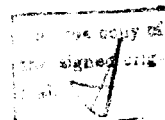
I acknowledge with thanks the receipt of your letter of December 14 and its enclosure, a copy of a manuscript in which Bishop Bashford gave an account, under the title "Japanese Aggression in China", of his experience in connection with the Twenty-one Demands in 1915.

Please accept expression of my appreciation of your courtesy in supplying this material to the Department and convey expression thereof to Mr. Fahs.

Yours sincerely,

Dr. A. L. Warnshuis,
International Missionary Council,
419 Fourth Avenue,
New York, New York.

SKH|ZMF



29 1931.

F.W. 793.94/3349

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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

DOCUMENT FILE

NOTE

SEE 893.00/11695 FOR #89 to Leg'n.

FROM Canton (Ballantine) DATED Nov. 27, 1931
TO NAME 1-1127 o.p.

REGARDING: Eugene Chen's visit to Japan.
Clipping from the CANTON GAZETTE
giving a straightforward and truth-
ful account of Mr. Chen's motives
in visiting Japan, and of what he
gained therefrom.

793.94/6550

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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

No. 99.

Canton, China, November 27, 1931.

SUBJECT: Eugene Chen's Statement Concerning
His Visit to Japan.

The Honorable

Nelson Trusler Johnson,

American Minister,

Peking.

Sir:

L/-
I have the honor to refer to my despatch No. 41 of October 15, 1931, and to previous despatches regarding the visit of Eugene Chen to Japan and its aftermath, and to enclose a clipping from the CANTON GAZETTE of November 25, 1931, containing a statement issued by Mr. Eugene Chen, Minister for Foreign Affairs of the "National Government" at Canton, regarding his recent visit to Japan.

I understand that Mr. Chen's statement was primarily prepared as a report for the information of the Kuomintang Congress now in session here. It was released for publication on the date of his sudden departure for Hongkong, and although published in the two English language papers on November 25, the Chinese version did not appear in the vernacular press until the 26th

and

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 Department of State letter, August 10, 1972
 By Milton O. Gustafson NARS, Date 12-18-75

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and 27th. This was probably because time was required to make a translation into Chinese, since the English was undoubtedly the original version.

The statement contains no sensational revelations, but appears to be a straightforward and truthful account of Mr. Chen's motives in undertaking the visit to Japan and of what he gained therefrom. He explains that when he assumed office his first duty was to formulate a foreign policy, and as the dominant foreign issue was the question of relations with Japan, particularly in regard to Manchuria, he wished to go to Tokyo to find out whether a new orientation in foreign policy was feasible in which a regime of understanding and friendliness with Japan might replace mistrust and misunderstanding, as had been envisaged by Dr. Sun Yat-sen.

Mr. Chen emphasized that he had no instructions to enter into any negotiations with the Japanese Minister for Foreign Affairs, nor did he attempt to do so, but that he desired to ascertain what the real aim and policy of Japan was in China, particularly Manchuria. He wished to make Baron Hirohara understand that he was prepared to examine with him frankly the possibility of a lasting agreement between the two countries.

Mr. Chen was now of the opinion, he concluded, that it was not possible in view of the calamitous situation

in

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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

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in Manchuria and of the embittered public feeling
towards Japan to consider at the present moment the
possibility of a new orientation of policy in the
direction indicated by Dr. Sun.

Respectfully yours,

J. W. Ballantine,
American Consul General.

Enclosure:

1/- Clipping from NATION OF NORTH, Nov. 25, 1931.

Copies sent:

2 to Legation
5 to Department.

800

JWB:GL

one copy of
the
2

The Canton Gazette Nov. 28, 1931

China's Dominant Foreign Issue Was And Is Question Of Relation With Japan, Particular In Regard To Man- churia, States Minister Eugene Chen

HIS VISIT TO JAPAN WAS TO SECURE IN- FORMATION REGARDING REAL AIM AND POLICY OF JAPAN TOWARDS CHINA

**HE DID NOT ENTER INTO NEGOTIATION OR EVEN ATTEMPT
TO DO SO WITH BARON SHIDEHARA OR ANY OTHER JAPANESE**

**Reports Alleging He Visited Japan For Some Dark Purpose Are
Works Of Publicity Thugs In Nanking's Service**

**Mr. Eugene Chen, Minister for Foreign Affairs of
the National Government at Canton, has authorised the
publication of the following report on his visit to
Japan:—**

1. When I assumed office as Minister for Foreign Affairs, my first task was to formulate, on behalf of the National Government, a foreign policy corresponding to the realities and needs of the historical period which necessitated the establishment of the National Government at Canton.

2. After surveying the field of our foreign relations, I came to the conclusion that, while the dominant foreign issue during the Canton-Hankow period of 1926-7 was the question of the Unequal Treaties, today when the revolutionary struggle with foreign imperialism was more specific than general—the dominant foreign issue was and is the question of our relations with Japan, particularly in regard to Manchuria.

Belief Of Japanese Military

3. I was forced to this conclusion by two considerations. First, a study of the history of the past twenty years shows that Japan has been one of the major factors making for political instability of all governments in China. The Japanese Military, as distinguished from the modern Japan represented by Baron Shidehara, appear to believe that, as long as China is unfriendly, it is in the interest of Japan that China should be unquiet and disturbed. But without peace, a reasonable period of peace, it is impossible for any Chinese Government to begin the creation of those modern institutions which are the foundation on which alone a modern state and a modern government can be successfully established in China. And in the creation of a modern state and a modern government in China—in the transformation, that is to say, of China from a pre-modern state into a modern state—lie the salvation of China and the guarantees of her continued existence as an independent Kuomintang state, strongly based on the Three Principles of the People. And secondly, Nanking has had no real policy towards Japan except the old discredited one, inherited from the Peking Mandarinate, of delay and evasion. When a state that is militarily weak treats in this way a state that is militarily strong and rapacious, the law of disaster is certain to assert itself.

Corner Stone Of Far Eastern Peace

4. In these circumstances, it was thought that the policy which might bring about secular peace and avert disaster was to be found in the teachings of Dr. Sun who envisaged a regime in the relations between China and Japan in which understanding and friendliness might replace mistrust and misunderstanding. He saw, may-be, with clearer eyes than his generation's that just as the peace and order of the system of Europe rested upon peace between France and Germany, so the peace of Far Asia—which is a vital interest of nations—was conditioned by peace between China and Japan.

(Continued on Page 10)

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China's Dominant Foreign Issue Was And Is Question Of Relation With Japan, Particular In Regard To Man- churia, States Minister Eugene Chen

(Continued from Page 1)

5. It was for the purpose of finding out whether a new orientation in policy in this sense and direction was not only possible but feasible that the National Government authorized my visit to Japan in the summer.

Dr. Sun's Desire

6. My instructions were embodied in a confidential memorandum which I prepared for the Government before my departure. I quote from it: "I am proceeding to Tokyo to hold a set of confidential conversations with Baron Shidehara, Japanese Minister for Foreign Affairs, on the subject of placing Chinese relations with Japan on a basis of permanent friendship, which was always desired by the Tsung-li (Dr. Sun Yat-sen).

"In these conversations I shall introduce a modern note in that Baron Shidehara will be made to understand that he is dealing with a modern mind who, on behalf of the National Government, is prepared and ready to examine with him, frankly and in a modern sense, the possibility of a lasting agreement between China and Japan.

"A fundamental point to be made clear is that any settlement of the Chinese-Japanese problem which, objectively, means the practical annexation of Manchuria cannot be considered. It may be that the Japanese idea is to bring about such an annexation in the guise of 'economic rights' and 'special privileges'. A definition, therefore, of the phrases 'economic rights' and 'special privileges' will be sought as well as a geographical definition of 'Manchuria' which, so far as Japan is concerned, ought not to include Northern Manchuria.

Past And Present Difficulties

"Another fundamental point to be emphasized is that, owing to past and present difficulties with Japan, no agreement with her can be real and effective unless such an agreement receives national assent. Without this national assent, it may well be that the agreement will be repudiated by the Nation with the double result that (a) anti-Japanese feeling may express itself in terms of boycott, strikes, etc. and (b) the

National Government itself or individual members of it may be nationally discredited. We must be warned of the fate that overtook the Anfu Government of Tuan Chijui with its Nishihara loans, etc.

"This means that the National Government must have something of a national mandate before beginning formal negotiations with Japan for an enduring agreement. One way to secure this is to base on my conversations in Japan a reasoned policy towards Japan and to incorporate it in the general declaration on foreign policy to be submitted to the Fourth National Congress of the Party to be held on October 10.

"If this policy is approved by the Congress, formal negotiation with Japan will then follow."

Visit To Japan

7. My visit to Japan was already arranged when the Wanpaoshan incident in Kirin and the anti-Chinese riots in Korea took place. There was a suggestion that it might not be expedient to proceed in view of the inflamed state of public feeling against the Japanese. I thought, however, that the visit should be undertaken because it was necessary to define our policy towards Japan when the National Congress met on October 10 as then scheduled. And for this reason, I decided to go as quietly as possible. Unfortunately, the news was divulged by the time I arrived in Japan.

8. In Tokyo I saw Baron Shidehara and had an exchange of views with him. The substance of my conversations with him, as they related to Manchuria, has been summarized in my note of protest to Baron Shidehara in connection with the present situation in Manchuria, the text of which was issued to the Press on September 25, last. I quote the relevant passages in the protest: "In our conversations held during my recent unofficial visit to Tokyo, I stated that relations between China and Japan had been unsatisfactory for nearly a generation, and I suggested that the time had probably come for a new orientation in policy in the sense, of the teachings of Dr. Sun Yat-sen whose conception of the relationship between the two countries, linked in certain respects by a common culture, envisaged a regime of understanding and friendliness instead of mistrust and misunderstanding in their international intercourse. And I referred to what is known as the 'Manchurian question' as the crux of all relations between China and Japan.

Manchurian Question

"I emphasized that no Chinese or group of Chinese or Chinese Government could agree to a settlement of the Manchurian question which involved the annexation or the practical annexation of Manchuria by Japan. I stressed another point. I said that no settlement of the question would be effective and real unless the Chinese Nation as a whole approved of it; and I indicated that such approval would have to be secured through the submission of the terms of settlement to the Kuomintang in National Congress assembled.

"You replied that nothing could be further from the thought of the Government of Japan than the annexation Manchuria and, if and when it became necessary, your Government would be prepared to declare categorically that Japan recognised Manchuria as an integral part of the Republic of China and had no wish or intention to infringe Chinese territorial sovereignty in the region. At the same time you pointed out that Japan had rights and interests in Manchuria, most of which are vested in her by treaty and all of which are the outcome of a long historical background. In further conversations with responsible members of the General Staff Headquarters and the War Office in Tokyo as well as with the official leader of the Seiyukai, I satisfied myself that, on this crucial point, you appeared to express the governing mind of Japan."

NO NEGOTIATION

9. I went to Japan—this point must be underlined—to secure information from Baron Shidehara regarding the real aim and policy of his Government vis-a-vis China, especially about Manchuria. The National Government desired this information in order to decide whether the time had come for the adoption of the policy which Dr. Sun, with foresight and vision of a great civilized mind, had pointed out as the way of peace and strength to his country. I had no instruction or authority to enter into any sort of negotiation with Baron Shidehara or any other Japanese, nor did I attempt in fact to enter into any negotiation with anyone in Japan regarding Manchuria or any other matter. All the reports, therefore, alleging that I visited Japan for some dark purpose—to make a deal in arms or beg for Japanese gold or sell Manchuria and so forth—are entirely false and largely the work of the publicity thugs in the service of Nanking.

10. In view of the calamitous situation in Manchuria and the embittered state of the Nation's feeling towards Japan and the Japanese, I do not think it would evince a sense of reality to consider, at the present moment, the possibility of a new orientation of policy in the direction indicated by Dr. Sun. Those who hope for better things must wait.—Central Press.

The Hankow Express Nov. 26, 1931. 2.

DEPARTMENT OF STATE
DIVISION OF FAR EASTERN AFFAIRS

DEPARTMENT OF STATE
RECEIVED
DEC 23 1931
MANCHURIA SITUATION

December 22, 1931.

DEC 23 1931

The new Chinese Minister to the United States

thus sums up the "three principal considerations" in the Manchuria situation "as it affects the rest of the world":

"The first of these is the disturbance of trade just when the world most needs the free movement of commerce," he said. "The Manchurian aggression by Japan has seriously disrupted China's trade with the rest of the world".

Secondly, he said, "Japan by her offensive in Manchuria has thrown a monkey-wrench into the world's disarmament machinery". Finally, he asserted that Japan "in grasping Manchuria" had upset the balance of power in the Far East and "the rest of the world".

(From THE NEW YORK TIMES, Monday, December 21, 1931.)

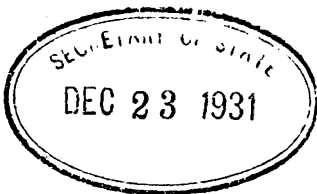
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DEC 23 1931

E/DEW 793.94/3351

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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75



THE NEW YORK TIMES, MONDAY, DECEMBER 21, 1931.

DR. YEN SAYS JAPAN CHALLENGES WORLD

New Chinese Envoy at Wash-
ington Holds Tokyo Has Designs
on Manchuria.

WASHINGTON, Dec. 20 (AP).—
China sent a new Minister to Wash-
ington today, and he took up his
duties by charging that Japan has
designs on Manchurian territory or
its administration.

Dr. W. W. Yen will present his
credentials to President Hoover im-
mediately. He is a graduate of the
University of Virginia and was three
times Premier of China.

"Japan's latest moves against
China are a challenge not only to
China but to the world," he said.
"The Japanese want Chinchow and
if they get it through active military
acts or through diplomatic demands
for Chinese evacuation, they will have
wiped out the last vestige of China's
control in Manchuria."

The Minister said there were three
principal considerations in the situa-
tion as it affected the rest of the
world.

"The first of these is the distur-
bance of trade just when the world
most needs the free movement of
commerce," he said. "The Manchu-
rian aggression by Japan has seri-
ously disrupted China's trade with
the rest of the world."

Secondly, he said, "Japan by her
offensive in Manchuria has thrown
a monkey-wrench into the world's
armament machinery." Finally,
he asserted that Japan "in grasping
Manchuria" had upset the balance
of power in the Far East and "the
rest of the world."

This very
will sum
up the world's
legitimate
grounds for
complaint.

SKH

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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

COPIES SENT TO
O.N.I. AND M.I.D.

MET

FROM

GRAY

Peiping via N.R.

Dated December 30, 1931

Rec'd 4 a.m.

Secretary of State,

Washington

1150, December 30, 11 a.m.

Following from Military Attache at Chinchow:

"December 29, 6 p.m. Information furnished by headquarters. Situation Yingkow-Kaopangtza railroad conflict-
ing, no doubt Japanese activity towards Kaopangtza increas-
ing".

"CONFIDENTIAL. December 29, 6 p.m. Headquarters
just advised Japanese had occupied Panshan and orders had
been sent 19th brigade to retake town at any cost. Reports
that movement 12th brigade inside Wall has begun".

JOHNSON

RR-WSB

Division of
FAR EASTERN AFFAIRS
DEC 30 1931
Department of State

F/DEW

793.94/3352

JAN 4 1932

FILED

1653
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

COPIES SENT TO
O.N.I AND M.I.D.

REF

FROM

PLAIN

Peiping via N. R.

Dated December 30, 1931

Rec'd 7:40 a. m.

Division of
FAR EASTERN AFFAIRS

DEC 30 1931

Department of State

Secretary of State,
Washington.

1155, December 30, 6 p. m.

Following from Reuter, Chinchow, December 29th:

"Japanese aeroplanes are reported to have flown over
Panshan this afternoon and to have dropped about one hundred
bombs.

Panshan is on the Yingkow-Koupangtze Railway, about
twenty miles from Koupangtze, where this branch line joins the
Peiping-Mukden Railway.

Later three bombs were dropped at Koupangtze Railway
Station. One soldier was killed and two railway workmen
were wounded."

JOHNSON

HFD

F/DEW 793.94/3353

JAN 4 1932

1650
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

REP

FROM

This telegram must be
closely paraphrased be-
fore being communicated
to anyone.

Peiping

Dated December 30, 1931

Rec'd 8:45 a. m.

Paraphrased sent to M. O. Gustafson

Secretary of State,
Washington.

Division of
EASTERN AFFAIRS

DEC 30 1931

793.94 1156, December 30, 6 p. m.

Telephoned substance to Mr. Egan, M. O. Gustafson, Dec. 30, 1931
Margetts telephoned just now from Chinchow that with-
drawal of Chinese troops from Chinchow area to within Wall
is under way and will be completed within the week. I
have authorized him to return at his discretion.

JOHNSON

RR

WSB

F/DEW
793.94/3354

JAN 6 1932

FILED

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Lustigsm NARS, Date 12-18-75

PARAPHRASE.

A telegram (No.1156) of December 30, 1931, from the American Legation at Peiping is substantially as follows:

The American Minister states that he has just received a telephone message from Colonel Margetts at Chinchow to the effect that the Chinese troops are being withdrawn from Chinchow to within the Great Wall and that this withdrawal will be complete within this week. The Minister adds that he has authorized Colonel Margetts in his discretion to return to Peiping.

793.94/3354

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton C. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

MET

FROM

GRAY

Peiping via N.R.

Dated December 30, 1931

Rec'd 4 a.m.

Secretary of State,

Washington

1151, December 30, noon.

Following from American Consul General at Mukden:

"December 29, 8 p.m.

Four trains of twenty-nine cars, each with Japanese troops and equipment, left Mukden this afternoon over the Peiping-Mukden Railway.

The brigade Murai arrived at Mukden last night.

The Japanese brigade commanded by General Tamon is reported to be moving westward along the Kowpangze-Yingkow Railway".
(McL--WSB)

JOHNSON

IAN 5 - 1932

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COPIES SENT TO
C.N.I. AND M.I.D.

F/DEW 795.94/3355

793.94
794.23

166

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

COPIES SENT TO
G.N.I. AND M.I.D.

MET

FROM

GRAY

Peiping via N.R.

Dated December 30, 1931

Rec'd 7:40 a.m.

Secretary of State,

Washington

1154, December 30, 5 p.m.

Following from American Consul General at Mukden:

"December 30, 11 a.m. Reliable information has been received that Panshan was captured by Japanese yesterday afternoon and that Japanese forces are continuing their move towards Kowpangtza.

Nine additional Japanese troop trains left Mukden over the Peiping-Mukden Railway since midnight. The nine trains which left Mukden yesterday were discharged at Hsinmin and returned to Mukden.

The object of this operation seems to be at least the suppression of bandits in the triangle formed by the Liao River and the Peiping-Mukden Railway. No official information released."

Repeated to Tokyo.

RPF-KLP

JOHNSON

F/DEW 793.94/3356

793.94
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Division of
FAR EASTERN AFFAIRS
DEC 30 1931
Department of State

FILED
DEC 31 1931

166
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

REF

TELEGRAM RECEIVED

This telegram must be
closely paraphrased be-
fore being communicated
to anyone.

Peiping

Dated December 30, 1931

FROM

Rec'd 8:45 a. m.

Secretary of State,
Washington.

1153, December 30, 4 p. m.

One. Today's information indicates that Marshal Chang
is withdrawing the bulk of his troops from Chinchow leaving
there a small guard and the Liaoning Civil Administration.

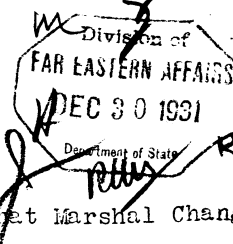
Two. CONFIDENTIAL. In informal negotiations here
between Yao, Japanese counsellor and Marshal Chang the
former has argued that the Japanese military would take
Chinchow eventually and that, if the Chinese avoid a clash
by a voluntary withdrawal, the Japanese Foreign Office would
gain face and be in a better position to shape events to
China's advantage. There is also the suggestion that
certain of Chang's followers might work back into official
position at Mukden. These inducements together with bitter
hostility toward Chang at Nanking and lack of support from
that direction are believed to have led Chang to his present
decision.

Repeated to Tokio.

JOHNSON

KLF

HPD



DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

TELEGRAM SENT

Department of State

1-138
PREPARING OFFICE
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1-138

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REL AND - 61 - 12 11: 22

Washington,

December 31, 1931.

AMCONSUL

GENEVA (Switzerland).

147 CONFIDENTIAL FOR GILBERT

One. Under date December 29, the American Consul

General at Mukden telegraphs that four trains of twenty-
nine cars, each with Japanese troops and equipment,
left Mukden on that afternoon over the Peiping-Mukden
Railway; and that the Japanese brigade commanded by
General Tamon is said to be moving westward along the
Kowpangtze-Yingkow Railway.

Two. Under date December 30, the American Consul
General at Mukden reports that, according to reliable
information, Panshan was captured by the Japanese on
December 29; that Japanese forces are continuing their
move toward Kowpangtze; that since midnight nine
additional Japanese troop trains left Mukden over the
Peiping-Mukden Railway; that the troops on the trains
which left Mukden on December 29 were discharged at
Hsinmin and the trains returned to Mukden; and that the
object of this operation seems to be at least the
suppression of bandits in the triangle formed by the

Enciphered by

Sent by operator

M.

19

Liao

Index Bu.—No. 50.

U. S. GOVERNMENT PRINTING OFFICE: 1929 1-138

793.94/3357

1665

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
 Department of State letter, August 10, 1972
 By Milton O. Luntz NARS, Date 12-18-75

1-128
 PREPARING OFFICE
 WILL INDICATE WHETHER

TELEGRAM SENT

1-128
 TO BE TRANSMITTED
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Collect
 Charge Department
 OR
 Charge to
 \$

Department of State

Washington,

- 2 -

Liao River and the Peiping-Mukden Railway.

Three. ^{793.94/3352} Under date December 29, Military Attaché Margetts reports from Chinchow that Chinese headquarters have just informed him that the Japanese had occupied Panshan; that orders had been sent to the Chinese nineteenth brigade to re-take the town at any cost; and that it is reported that the movement of the Chinese twelfth brigade inside the Great Wall has begun.

Four. ^{793.94/3354} Under date December 30, ~~Military Attaché~~ Margetts reports from Chinchow that the withdrawal from the Chinchow area of Chinese troops to within the Great Wall has been begun and that within the week this movement will be completed.

Five. ^{793.94/3357} Under date December 30, the American Legation at Peiping reports that present information indicates that the bulk of Chang Hsueh-liang's troops are being withdrawn from Chinchow and that a small guard and the Liaoning Civil Administration will be left there.

Six. Inform Drummond, confidential as to source.

Enciphered by FE:MMH/VDM

FE

Sent by operator M., 19

Index Bu.—No. 50.

U. S. GOVERNMENT PRINTING OFFICE: 1951 1-128

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OK
 Dec 31 1931
 131

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

DEPARTMENT OF STATE
DIVISION OF FAR EASTERN AFFAIRS

December 21, 1934

In the editorial here attached, we find the statements:

1. " Japan signed the League Resolution because Ambassador Dawes got from Alfred Sze and passed along to the Japanese an assurance that the Chinese garrison would withdraw from the Chinchow area", and

2. "The accredited agent of the State Department was, in other words, a responsible party to this arrangement; so that if any formal protest or rebuke from Washington were now in order it would have to be a reminder from Mr. Stimson to Nanking that the truce in Manchuria was jeopardized by China's failure to execute a pledge made to Mr. Dawes in Paris."

The whole editorial is built upon and around misstatements of fact with regard to action taken by Chinese officials and action taken by American officials. It would appear to be designed to establish in the mind of the reader as facts things which are not facts.

It is believed that the Department will be asked whether the facts are as here represented. They are not.

(NOTE: We may be thankful that Mr. Dawes was not permitted to make on December 10 at Paris the statement which he had in mind with regard to the Chinchow matter.)

FE:SKH/ZMF

793.94/3358

FILED

DEC 31 1934

SKH

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

DEC 23 1931

Secretary of State Stimson's reminder to the Japanese Foreign Office through Ambassador Cameron Forbes that a Japanese advance on Chinchow would have an unfavorable effect upon world opinion is too likely to be misinterpreted to let pass without comment. The same may be said of General Honjo's ultimatum to the Chinchow garrison commander. One has only to review the circumstances under which the last League Council resolution was signed in Paris to realize that Mr. Stimson's message cannot be construed as a rebuke in anticipation of events; and one has only to understand General Honjo's altered position in Manchuria, under General Minami and Prince Kan-in, to realize that it is not the gesture in defiance of American opinion that it might seem to be.

Secretary Stimson's message to Japan has to be construed with the fact in mind that Japan signed the League resolution because Ambassador Dawes got from Dr. Alfred Sze and passed along to the Japanese an assurance that the Chinese garrison would withdraw from the Chinchow area, which, needless to say, has not been done. The Japanese insisted not only that a Chinese withdrawal be stipulated in the resolution, but upon having their right to invade the area in an emergency set forth in the text. It was Mr. Dawes who persuaded Mr. Matsudaira to be content with reading a reservation of the Japanese right to action into the minutes in exchange for an assurance from Nanking, conveyed by Dr. Sze through Mr. Dawes, that the Chinese would withdraw.

The accredited agent of the State Department was, in other words, a responsible party to this arrangement; so that if any formal protest or rebuke from Washington were now in order it would have to be a reminder from Mr. Stimson to Nanking that the truce in Manchuria was jeopardized by China's failure to execute a pledge made to Mr. Dawes in Paris. For this reason, if for no other, the ~~Stimson message~~ cannot be interpreted as foreshadowing an American protest, but as informal friendly advice having no bearing on policy.

As for General Honjo's ultimatum, it is good evidence of a direct check on that veteran's movements exercised from Tokio, for it spells delay in a campaign which he was certainly on the eve of launching. It would appear, in fact, to be a step

taken in deference to the State Department's advice, but at the same time designed to satisfy public opinion in Japan, which will not for a moment abide any show of vacillation in the business of holding China to her pledges, old or new. The Japanese public is well aware that Japan's delegates had assurances in Paris nearly two weeks ago that the Chinese would withdraw. It is now also aware that about the same time General Chang Hsueh-liang gave similar assurances to Mr. Yano, Japanese *Charge d'Affaires* in Peiping.

The Japanese view, naturally, is that there will never be the slightest hope of exacting Chinese respect for old treaties if the Nanking government will not, can not or dare not execute a promise made so recently under international auspices and given international publicity. Japan is by no means indifferent to American or world opinion, but at this juncture no Japanese government could outlive the session at which it agreed to let China repudiate the Chinchow bargain. The ultimatum, which gives China an extra week in which to discharge the pledges made to Mr. Dawes in Paris and to Mr. Yano in Peiping, is therefore the best possible compromise between a show of respect for American sentiment and obedience to the insistent will of the Japanese nation.

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75



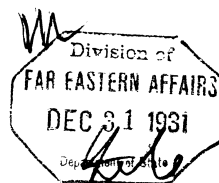
PM RECD

EMBASSY OF THE
UNITED STATES OF AMERICA

No. 2114.

Paris, December 22, 1931.

DEC 30 31



F/DEW

793.94/3359

The Honorable

The Secretary of State,

Washington, D. C.

Sir:

In compliance with the Department's instruction No. 293 of August 19, 1930, I have the honor to transmit herewith clippings from the French press, on the subject of the Sino-Japanese conflict, covering the period from December 15 to December 21, 1931, inclusive.

Respectfully yours,

For the Ambassador:

Williamson S. Howell, Jr.,
First Secretary of Embassy.

Enclosures.....

144 4-1982

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- 2 -

Enclosures (single copy):

Clippings from the following newspapers:

December 15, 1931.

No. 1 - L'ECHO DE PARIS
2 - LE JOURNAL

December 16, 1931.

No. 3 - L'HUMANITE
4 - JOURNAL DES DEBATS
5 - LA REPUBLIQUE
6 - LE TEMPS

December 17, 1931.

No. 7 - L'HUMANITE

December 18, 1931.

No. 8 - L'HUMANITE

December 19, 1931.

No. 9 - L'HUMANITE
10 - LE JOURNAL

December 20, 1931.

No. 11 - L'HUMANITE

December 21, 1931.

No. 12 - L'HUMANITE

In quintuplicate.
710.
RTP/jdk

Enclosure No. 1 to Despatch No. 2114
of December 22, 1931.
From the Embassy at Paris.

Extract from L'ECHO DE PARIS, December 15, 1931.

Le nouveau ministère japonais

CE QUE SIGNIFIE LE CHANGEMENT

A Tokio, le remplacement du ministère *Minseito* par un ministère *Segukai* est important à deux points de vue.

D'abord, le parti *Segukai* qui arrive au pouvoir avec M. Inukon comme premier ministre et M. Yoshizawa, ambassadeur du Japon à Paris, comme ministre des affaires étrangères, est réputé favorable à une politique chinoise plus énergique. On se rappelle peut-être qu'en 1927-28, le ministère *Segukai*, que dirigeait le baron Tanaka, intervint vigoureusement au Shantung pour y défendre les intérêts japonais en péril. Par suite de l'attitude prise par le conseil de la Société des Nations, le différend sino-japonais de Mandchourie s'est étendu démesurément. Une telle impulsion a été donnée au nationalisme chinois qu'il répugne désormais à ces accommodements qui, depuis 1905, permirent au Japon de ne développer ses entreprises, autour du chemin de fer mandchourien, qu'avec mesure et dans l'équivoque. Partout sévit le boycottage. En octobre, on a voté, par exemple, que les cotonnades expédiées du Japon sur le marché chinois n'avaient pas dépassé 8,552,000 « square yards » contre 22,930,000 en septembre et 36,546,000 en octobre 1930. Si le Japon éprouve, dans l'ensemble de la Chine, de grandes pertes commerciales, il sera inévitablement porté à saisir plus fortement, plus complètement, les provinces où ses capitaux sont investis.

On peut être assuré que M. Yoshizawa, qui occupa longtemps la légation de Pékin, ira de l'avant.

Viande nette		(Cours officiels)		(Cours approx)	
Poids vif	Poids net	1 ^{re} q.	2 ^e q.	1 ^{re} q.	2 ^e q.
Cours	8	7 10	5 70	4 80	3 90
Vaches	7 90	6 60	5 20	4 75	3 85
Taureaux	6 80	6 10	5 40	4 08	3 35
Moutons	12 00	11	10	7 75	6 27
Porcs	15 70	10 10	7 80	7 85	4 75
Agneaux	8 14	7 28	4 42	5 70	3 10

tons Cours inchangés en porcs.
de 40 fr. en veaux. Baisse de 20 fr. en moutons.
toirs. Baisse de 40 fr. en gros bœufs. Hausse
rés en gros bœufs. Vente calme aux abattoirs.
breux et les arrivages sont un peu char-

Enclosure No. 1 to Despatch No. 2114
of December 22, 1931.
From the Embassy at Paris.

Extract from L'ECHO DE PARIS, December 15, 1931.

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On peut être assuré que M. Yoshizawa, qui occupa longtemps la légation de Pékin, ira de l'avant prudemment. Il est trop avisé, trop réaliste pour se lancer de gaieté de cœur dans une aventure. Mais, au point où les affaires ont été poussées, il est douteux qu'en Mandchourie l'apaisement puisse survivre par les anciennes combinaisons.

A côté de cette évolution à peine dessinée et qui sera plus ou moins longue, un grand événement s'est produit, à la disparition de l'ancien ministère. L'embargo a été mis sur les exportations d'or, ce qui signifie que le billet de banque ne peut plus être échangé contre de l'or et que l'étalon-or rétabli, en janvier 1930, par le *Minseito*, est suspendu. Ici nous assistons à une conséquence directe de l'accident arrivé à la livre sterling le 21 septembre. Le ministère démissionnaire a fait de son mieux pour maintenir le régime monétaire normal. Mais, assurés de ne point éprouver de dommage sensible dans le cas où l'étalon-or subsisterait puisque le yen serait maintenu d'office entre les points d'or et, par contre, de gagner fortement dans l'hypothèse où l'exemple britannique s'imposerait, les spéculateurs à la baisse de la monnaie s'en sont donnés à leur guise. Le 18 novembre, le Japon avait, en huit semaines, perdu de l'or jusqu'à concurrence de 204 millions 500.000 yen, et, à cette date, on calculait que 30 millions partiraient encore avant la fin du mois. A 626 millions, les réserves étaient tombées au niveau de novembre 1917. Le *Minseito* n'a pas résisté à cette épreuve.

Ainsi les monnaies de cours forcé gagnent rapidement sur la carte du monde. Voilà qui ne peut qu'aggraver la dislocation du commerce international.

PERTINAX.

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

Enclosure No. 1 to Despatch No. 2114
of December 22, 1931.

From the Embassy at Paris.

Extract from L'ECHO DE PARIS, December 15, 1931.

Le nouveau ministère japonais

CE QUE SIGNIFIE LE CHANGEMENT

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On peut être assuré que M. Yoshizawa, qui occupa longtemps la légation de Pékin, ira de l'avant, occupant le poste de ministre.

VEAUX, 8.60; moutons, 8.90; porcs, 6.
L'INCENDIE. — Bœufs, 3.10; vaches, 3.70 ;
taureaux, 70; veaux, 18; moutons, 230.

Bailly, venime bonne, cours en hausse sur
veau; venime caenné, cours en hausse sur
mouton; venime calvaise, cours inchangés sur
porcs, en clôture.

[illegible]

CONFIDENTIAL

[illegible]

Enclosure No. 2 to Despatch No. 2114
of December 22, 1931.
From the Embassy at Paris.

Extract from LE JOURNAL, December 15, 1931.

Causes et conséquences de la chute de Tchang Kai Chek

La chute de Tchang Kai Chek n'est rien moins qu'une surprise. On la voyait venir depuis longtemps déjà. La crise mandchourienne, en soulevant les éléments extrémistes du parti nationaliste chinois, le Kuomintang, a simplement achevé de ruiner l'autorité d'un dictateur à qui l'on reprochait d'avoir transformé la République en fief de famille et qui vient d'ajouter à ce grief l'opprobre d'une humiliation nationale.

Le premier effet de l'action japonaise a été de déterminer un mouvement de ralliement de tous les éléments nationalistes du Nord et du Sud. Plus de dissensions intestines devant l'ennemi : tel était le mot d'ordre. Tchang Kai Chek est assez intelligent pour avoir prévu cet entraînement et avoir cherché à en prendre la direction. C'est lui qui a proposé aux sudistes de Canton de se réconcilier avec le gouvernement de Nankin. La proposition s'est heurtée à la méfiance des Cantonais, qui ont compris, eux aussi, qu'on leur demandait, comme toute, de faire le sacrifice de leur indépendance sur l'autel de la patrie pour renforcer la puissance de Tchang Kai Chek.

La méfiance des Cantonais a stimulé les adversaires que l'autoritarisme de Tchang Kai Chek a multipliés à Nankin même. L'évolution de la crise mandchourienne a exaspéré les ardeurs d'une jeunesse universitaire. C'est le concours de tous ces éléments qui a déterminé Tchang Kai Chek à se retirer pour ne pas être renversé.

L'événement évite peut-être une révolution immédiate ; mais n'est-ce pas au risque de convulsions anarchiques ou bien de troubles internationaux plus graves encore ? Il ne faut pas se dissimuler que, si relatif, précaire et limité que fût le pouvoir de Tchang Kai Chek, il constituait le seul embryon d'organisation en Chine. L'homme qui, en partant de Canton, a su conquérir tout le bassin du Yang-Tsé abattre successivement Tchang Tsao Lin, Feng Hsu Hsiang et Yen Chi San et se maintenir pendant quatre années, n'est certes pas un élément négligeable.

Il faudrait, en effet, plus que de l'optimisme pour imaginer que cet effacement, même temporaire, va ouvrir pour la Chine des jours heureux. Les événements ne peuvent tourner que de deux manières. Ou bien nous allons assister à un simulacre de réconciliation du Nord et du Sud et on verra très rapidement les anciennes rivalités renaître et la lutte recommencer entre la Chine du sud et la Chine du nord. Ou bien l'union nationale se fera réellement ; mais alors seulement dans un élan qui dressera la Chine contre le Japon.

Ce n'est point, certes, la moins troublante des perspectives qu'entr'ouvre la chute de l'« homme fort » de Nankin.
— S.-B.

Enclosure No. 3 to Despatch No. 2114
of December 22, 1931.
From the Embassy at Paris.

Extract from L'HUMANITE, December 16, 1931.

DÉFENDONS L'U.R.S.S. ET LES SOVIETS CHINOIS !

En Chine et au Japon s'accuse la recrudescence du danger de guerre impérialiste



Nos lecteurs savent qu'au Japon sévit une crise économique terrible. Voici, sur notre cliché, une démonstration de sans-travail japonais

Déjà, le vote de la résolution de la S.D.N. concernant l'annexion du Mandchou par le Japon et créant les bases de l'extension de son empire, a été pour nos amis les Russes et les Chinois, l'état de guerre. L'Europe est passée à une phase nouvelle.

Nous allons donc nous occuper de la situation économique du Japon. Le Kaito, le grand journal japonais, a publié, les faits parvenus à notre connaissance, l'annonce d'un mouvement de grève de 100.000 ouvriers japonais, dont 10.000 à Tokyo. Les démonstrations d'ouvriers et d'étudiants se sont de plus en plus développées. L'union des étudiants ont manifesté à Nankin devant le ministère des affaires étrangères. Avant d'entrer à la police, ils ont pénétré dans le bâtiment et ont défilé, en les menant, tous les bureaux. Ils se sont rendus ensuite devant le siège central de l'administration, ont saisi une réunion délibérant sur la démission de Teikang Kai Shok, ont désarmé la police et brisé les vitres.

Puis, ayant demandé une audience à Teikang Kai Shok, qui leur fut refusée, les étudiants se sont emparés de Teikang Kai Shok, président du gouvernement du Kwantung et l'ont sérieusement malmené.

Des milliers de policiers ont été mandés d'urgence. Des coups de feu ont été échangés entre les manifestants et la police. Un étudiant a été blessé.

De fait, entre, entre autres, montre bien qu'il y a une crise économique au Japon. L'Europe est passée à une phase nouvelle. L'Europe est passée à une phase nouvelle.

La manœuvre des impérialistes

Mais, en fait, les impérialistes ont fait le contraire, dans l'esprit des déclarations de la S.D.N. Ils ont, en fait, fait le contraire. Ils ont, en fait, fait le contraire. Ils ont, en fait, fait le contraire.

Le Temps d'hier soir dévoilait les buts poursuivis et la manœuvre qui les couvrait. D'abord l'organe du Quai d'Orsay admet que l'effacement de Teikang Kai Shok peut n'être que momentané.

« Tout porte à penser qu'on le retrouvera en scène aux heures difficiles que va connaître la Chine ».

Les heures difficiles que le *Temps* prévoit, c'est la révolution qu'il faudra étouffer dans le sang et Tchang Kai Shék a montré son talent épouvantable dans ce domaine ; c'est aussi le dépècement du pays auquel s'opposent les masses travailleuses et l'armée rouge chinoise, contre lesquelles les impérialistes de Paris, de Londres et de New-York enverront le corps expéditionnaire dont tous les préparatifs sont poussés par les chancelleries.

Et le *Temps* continuait :

« Sa politique a échoué et son gouvernement devra payer les erreurs de tactique commises dans la lutte contre l'influence japonaise en Mandchourie. Il faudra en venir à une politique nouvelle, avec d'autres méthodes, et ceci exige l'effort d'hommes nouveaux ».

Les hommes nouveaux, ce seront vraisemblablement les dirigeants du gouvernement de Canton. Déjà, les milieux « bien informés » prévoient que Nang Chin Wei sera président du comité central, avec Eugène Chen comme ministre des affaires étrangères. Ces deux hommes sont les agents directs de l'impérialisme français en Chine. Eugène Chen, dès la formation du gouvernement de Canton l'année dernière, s'est rendu à Tokio et depuis l'invasion de la Mandchourie, le Japon n'a pas caché ses sympathies pour Canton « avec lequel il est prêt à négocier ». Le *Temps* est donc encore bien fondé d'écrire que l'« on peut croire que le règlement entre la Chine et le Japon par des négociations directes ne tardera pas à être en bonne voie ».

La formation de la nouvelle équipe gouvernementale en Chine répondra donc en tous points aux desseins de Paris et de Tokio. Que l'impérialisme américain ait son mot à dire et à « défendre ses intérêts » en Chine, c'est une autre affaire que les antagonismes dans le Pacifique ne tarderont pas à éclaircir. On peut donc dire que les événements qui se déroulent en Chine accusent la recrudescence du danger de guerre et de la menace impérialiste contre la révolution chinoise.

Au Japon

La situation politique au Japon corrobore ces perspectives. Le gouvernement militaire-fasciste de Inukai est installé au pouvoir. L'embargo sur l'or a été institué et durant l'approfondissement de la crise financière l'étalon-or a été abandonné pour parer au fléchissement du yen. Ces mesures vont, avec l'augmentation des impôts, augmenter considérablement le coût de la vie, jetant dans une misère encore plus grande les travailleurs japonais déjà affaiblis par les successives réductions des salaires et traitements.

D'autre part, pour se maintenir au pouvoir, le gouvernement devra recourir aux méthodes dictatoriales. En effet, le parti *Seiyukai*, dont il est issu ne dispose pas de majorité au Parlement, les élections de février 1930 ayant donné cette majorité au *minseito*. Mais le trust Moutsu (commerçants d'exploitation et propriétaires fonciers) entend que soit appliquée la politique impérialiste outrancière qu'il préconise. Il faut donc s'attendre à la dissolution de la Diète.

Le plan de Tanaka

En ce qui concerne la politique extérieure, le *Temps*, en veine de confidences, nous avertit que M. Inukai devra « réussir dans la tâche que son prédécesseur à la présidence du parti *seiyukai* le baron Tanaka ne put mener à bonne fin. » Il s'agit, on s'en souvient, du plan de guerre contre la Chine, contre l'Union Soviétique pour l'annexion de la Mandchourie, de la Chine du Nord, de la Mongolie et de la République Soviétique d'Extrême-Orient et contre les Etats-Unis pour la mainmise sur les Philippines. Vaste projet de brigandage impérialiste dont la première manche est déjà gagnée : l'annexion de la Mandchourie.

Car, la colonisation de cette région est poursuivie méthodiquement. Les autorités locales qui « gouvernent » à Moukden, Kirin et Tsitsikar (le général Ma-Tchou Tchang est nommé gouverneur de la province du Meilung-Kiang) ne sont que des marionnettes aux mains des Japonais. Les industries et les banques sont placées sous la direction de ces derniers. A Moukden, la police est aux ordres d'un commandant nippon. Les finances, l'économie, les téléphones sont dirigés par des « conseillers » venus de Tokio. La Mandchourie subit le sort de la Corée. Et tout cela s'exécute sous la protection de la France impérialiste qui a imposé la reconnaissance de l'autorité japonaise en Mandchourie au cours des marchandages du Conseil de la S. D. N.

Et, hier soir, on signalait plusieurs rencontres sanglantes, ayant fait des morts, entre les troupes japonaises et chinoises, à Tien-Ling, Tchong-Tchia-Toun et Niou-Tchang.

Mais les plans d'expansion de l'Empire du Soleil Levant ne sont pas encore tous réalisés. Pour les mener à bien, la guerre contre la patrie socialiste des travailleurs est nécessaire. Le *Temps* n'en fait plus secret. Et la nomination de M. Yashizama, ambassadeur du Japon à Paris, au poste de ministre des affaires étrangères témoigne du souci de la liaison plus étroite encore de Tokio avec l'impérialisme français. On connaît en effet quels rapports unissent Yoshizama à Briand, rapports qui se sont confirmés au cours de la session de Paris du conseil de la S.D.N.

On peut donc dire que ce qui se passe au Japon accuse la recrudescence du danger de guerre contre l'Union soviétique, dont les plans principaux sont élaborés à Paris, par le Quai d'Orsay et l'état-major.

Une suggestion du "Figaro"

A ce propos, nous ne pouvons laisser passer sans commentaire un article paru dans le *Figaro* d'hier sous la signature de Lucien Souchon. Ce personnage vient de visiter la Pologne chère à Paul-Boncour. Il a été particulièrement ému par l'existence du corps spécial de la garde de la frontière soviétique, le *Korpus Ochrony Pograniczn*, et grâce auquel « l'ordre règne à Varsovie... et plus à l'Ouest ». Et M. Souchon propose d'inviter tous les Etats européens « ainsi préservés », à se cotiser pour aider la Pologne des prisons et des tortures à entre-

tenir le K.O.P., « force effectivement au service de la Société des Nations ».

Grumbach, dans le *Populaire* du 6 décembre, voyait dans les travaux de la S.D.N. relatifs à la guerre en Extrême-Orient « une preuve de la nécessité de donner à la S.D.N. les moyens d'action dont elle est dépourvue ».

Hola ! Grumbach-Blum ! M. Lucien Souchon vous indique que contre l'U.R.S.S., la S.D.N. dispose déjà d'une force, en l'occurrence le K.O.P. Demandez, comme lui, que les puissances se cotisent pour le renforcement de cette formation du « soldat montant la garde devant la civilisation ». C'est votre devoir.

Les travailleurs de France, quant à eux, savent que leur devoir est de lutter contre l'impérialisme français, contre la S.D.N. et les mensonges pacifistes par lesquels le parti socialiste s'efforce de tromper les masses pour mieux aider à la préparation de l'agression contre l'Etat ouvrier dont les événements d'Extrême-Orient montrent le danger menaçant.

M. MAGNIEN.

Debats 16

Enclosure No. 4 to Despatch No. 2114
of December 22, 1931.
From the Embassy at Paris.

Extract from JOURNAL DES DEBATS, December 16, 1931.

Le nouveau cabinet japonais

Le Cabinet japonais qui vient de se retirer disposait d'une grosse majorité dans la Chambre élue le 20 février dernier : son parti, le Minseito, y avait 273 sièges, tandis que son rival, le Seiyukai, n'en possédait que 174. Mais sa situation était depuis quelque temps fortement ébranlée par suite de causes surtout financières et économiques. Il avait rétabli, au début de la présente année, l'étalon-or. La chute de la livre sterling, à laquelle une ancienne solidarité rattachait le yen, a provoqué une crise monétaire grave au Japon. Les sorties d'or se sont précipitées et les réserves de la Banque impériale s'amointraient d'une façon inquiétante. Le Cabinet s'est trouvé fort affaibli par ces événements qui n'avaient pas été prévus. Son ministre de l'intérieur, M. Adachi, qui est le grand agent électoral du Minseito, proposa la formation d'un gouvernement national auquel participeraient les deux groupes politiques. Cette idée ne fut bien accueillie ni par l'opposition ni par la plupart des collègues de M. Adachi. Le ministère était dans une impasse d'où il ne pouvait sortir que par une retraite. Sa démission, dans les conditions où elle a été donnée, entraînait l'appel de l'empereur au parti rival.

M. Inukai, qui succède à M. Wakatsuki, est un vénérable homme d'Etat de soixante-seize ans, qui jouit d'une grande influence. Il a pris provisoirement le portefeuille des affaires étrangères, mais il le réserve pour son gendre, M. Yoshizawa, l'ambassadeur du Japon à Paris, qui vient d'être mandé à Tokio. Il est probable que la politique étrangère ne subira guère de changement, mais on peut être sûr que M. Yoshizawa, qui a fait presque toute sa carrière en Extrême-Orient, suivra avec une grande attention les affaires de Chine et de Mandchourie. Le portefeuille des finances, particulièrement important dans les circonstances présentes, a été confié également à un vieillard de soixante-dix-sept ans, M. Takahashi, qui est un technicien réputé et qui a été jadis gouverneur de la Banque du Japon; il a d'ailleurs joué aussi un rôle politique considérable.

Le gouvernement, puisqu'il n'a pas la majorité à la Chambre des députés, sera évidemment obligé d'envisager l'éventualité d'une dissolution. D'après le correspondant du *Times* à Tokio, le Minseito, passé à l'opposition tout en demeurant maître de l'Assemblée, redouterait de trop prochaines élections, et, par conséquent, pour les retarder autant que possible, il préviendrait le gouvernement qu'il ne lui créera pas de difficultés au cours de la prochaine session. Cependant, le Cabinet peut juger préférable de ne pas trop attendre pour renvoyer les députés devant le peuple.

La première mesure prise par le nouveau Cabinet a été de mettre l'embargo sur les exportations d'or et, partant, d'abolir l'étalon-or. Un pays de plus rétablit le cours forcé et coupe les liens entre sa monnaie et l'or. Ce n'est pas d'un très heureux présage pour le redressement et la consolidation de la situation financière internationale. Il y a lieu, toutefois, de constater que les conditions monétaires du Japon sont assez spéciales. Le gouvernement a, dit-on, en réserve un plan destiné à soutenir l'industrie japonaise et à favoriser son expansion. Mais les programmes de ce genre ne donnent pas toujours les résultats qu'on en attend. Il sera, dans tous les cas, intéressant d'observer les effets du grand changement qui vient de se produire.

PIERRE BERNUS.

Ref. 16

Enclosure No. 5 to Despatch No. 2114
of December 22, 1931.
From the Embassy at Paris.

Extract from LA REPUBLIQUE, December 16, 1931.

UNE OPINION DE M. WINSTON CHURCHILL

Le conflit sino-japonais

M. Winston Churchill est un des esprits les plus curieux de l'Angleterre, et peut-être aurait-il pu être un de ses plus grands hommes d'Etat s'il n'avait pas entrepris de servir le vieil impérialisme de Joë Chamberlain au moment précis où ce vieil impérialisme n'était plus de mise, où l'Angleterre ne pouvait plus tenir sur la seule base de l'Empire et dans un splendide isolement.

N'empêche qu'il a pas mal d'idées justes — il est vrai que lorsqu'il en a qui sont fausses, il les pousse terriblement loin. par exemple l'idée qu'il eut en 1915 de débarquer à Gallipoli. Je note dans un article qu'il vient de donner au *Capital* trois propos qui sont à souligner et qui, paraissant s'identifier dans le point de départ aux thèses conservatrices, aboutissent en définitive à une conclusion qui est la nôtre.

Ce serait, dit M. Winston Churchill, prononcer un verdict beaucoup trop sommaire que de déclarer soit que les Japonais se sont conduits comme des impérialistes sans scrupules, ou que les Chinois ont mérité le traitement arbitraire dont ils ont été l'objet. Dans notre monde chaotique et désaxé, les hommes d'Etat doivent accueillir avec faveur le respect des lois et de l'ordre en quelque endroit que ce soit, et dans le cas des Japonais, si obscurci qu'il soit par la façon incroyablement maladroite dont il est présenté par les Japonais eux-mêmes, il est de fait que ce sont eux qui se comportent en défenseurs champions de la loi et de l'ordre dont ils sont, en vérité, le seul support.

A première vue, l'on peut se croire en présence de la thèse des journaux de M. Coty, et autres nationalistes français. A vrai dire, ceux-ci allaient plus loin et disaient : « Laissez le Japon rétablir l'ordre en Chine. »

N'empêche, ajoute M. Winston Churchill, que les Japonais se sont mis dans leur tort. Le délinquant se trouvait être, en même temps, le seul espoir de gouvernement sain et ordonné.

Cela, nos nationalistes n'ont jamais osé l'avouer. L'homme d'Etat anglais pourtant doit tenir à son idée, car il insiste :

Le Japon est théoriquement dans son tort, mais pratiquement et moralement, il défend la cause de la civilisation, et il représente de meilleures possibilités d'existence pour des millions de Chinois.

Mais ce n'est pas tout. A plusieurs reprises, nous avons souligné ici-même qu'en Mandchourie si la main-d'œuvre était toute chinoise, les capitaux et les ingénieurs étaient japonais (le Japon a jeté là-bas la valeur de 30 à 40 milliards de francs en dix ans). Nous avons en conséquence parlé de condominium

Or, que dit M. Winston Churchill ?

Il suffirait d'examiner la question sous son vrai jour, c'est-à-dire comme une querelle locale entre deux parties dont la réconciliation est l'intérêt commun, pour que le prestige de la Société des Nations ne fût pas entamé, ni son utilité méconnue.

Premier point : la réconciliation des deux parties est leur intérêt commun.

Second point : la Société des Nations qui, en définitive, a réussi dans l'affaire — puisqu'il n'y a pas eu de guerre — aurait dû maintenir le conflit sur le plan local.

Winston Churchill raisonne ici en homme d'Etat, et les réserves que nous avons faites en commençant, nous pourrions ne plus les faire après avoir lu ce propos. Mais qu'il nous soit permis de dire que c'est avant l'arrivée de M. Briand à Genève, que c'est en septembre que le conflit s'est agrandi, par la grâce de quelques maladroits, de façon à comprendre tout le problème du Pacifique. M. Briand, dès qu'il eut pris en main la direction, s'est gardé d'une telle erreur. Si bien que nous pouvons conclure qu'un article de l'importance de celui que nous venons d'analyser est en définitive un hommage au président Briand.

Pierre DOMINIQUE.

Enclosure No. 6 to Despatch No. 2114
of December 22, 1931.
From the Embassy at Paris.

Extract from LE TEMPS, December 16, 1931.

LES CRISES POLITIQUES EN CHINE ET AU JAPON

Au lendemain de la résolution adoptée à l'unanimité par le conseil de la Société des nations et comme préface au règlement du différend sino-japonais par des négociations directes entre Tokio et Nankin, deux crises politiques viennent de se produire en Chine et au Japon. A Tokio, le cabinet Wakatsuki, qui représentait le parti Minseito, à tendances libérales et démocratiques, a cédé la place à un ministère présidé par M. Inukai, chef du parti Seiyukai, dont les tendances sont nettement conservatrices. A Nankin, le maréchal Tchang Kai Chek, président du gouvernement national, a donné sa démission, cédant à la pression des éléments avancés du Kuomintang. La démission de Tchang Kai Chek entraînera naturellement la dislocation du cabinet de Nankin, bien que le maréchal n'entende se retirer que comme président du gouvernement national tout en gardant son poste de chef suprême de l'armée.

Il ne fait aucun doute que la démission de Tchang Kai Chek est déterminée par la situation nouvelle créée, du fait de la résolution du conseil de la Société des nations, en ce qui concerne le différend sino-japonais. Le cabinet de Nankin, sous l'inspiration directe et absolue du président du gouvernement national, a cru pouvoir attendre de l'intervention de la Société des nations des avantages politiques importants que cette intervention ne pouvait donner en aucun cas, et il s'en est tenu pendant des semaines à une résistance opiniâtre, s'obstinant à faire valoir des exigences qui ne pouvaient être satisfaites. Il ne l'a emporté ni sur le terrain militaire en Mandchourie même, ni sur le terrain diplomatique, à Genève d'abord, à Paris ensuite, de telle sorte que le nationalisme chinois systématiquement excité se trouve déçu dans les espoirs qu'on a fait naître chez lui avec tant d'imprudence. Une vive réaction des éléments les plus avancés du Kuomintang était dès lors inévitable et elle a pour effet de déterminer la retraite de celui qui a gouverné en maître absolu la Chine nouvelle.

Tchang Kai Chek est homme de ressource et son grand prestige militaire lui assure une position très particulière dans son pays. Chaque fois qu'il s'est trouvé acculé à l'effacement, il a surgi à nouveau au premier plan après quelques mois de silence. Tout porte à penser qu'on le retrouvera en scène aux heures difficiles que va connaître la Chine, mais, pour l'instant, il fait figure de vaincu. Sa politique a échoué et son gouvernement devra payer les erreurs de tactique commises dans la lutte contre l'influence japonaise en Mandchourie. Il faudra en venir à une politique nouvelle, avec d'autres méthodes, et ceci exige l'effort d'hommes nouveaux. La retraite de Tchang Kai Chek rend toute son influence à la majorité du Kuomintang et il est probable que le rapprochement de Canton et de Nankin, en vue de rétablir l'unité d'organisation et d'action du parti national, sera une des conséquences directes de la crise qui emporte le chef du gouvernement national. Cela n'ira pas sans secousses et sans luttes, comme il s'en produit toujours en Chine, d'autant plus que les communistes inféodés à Moscou chercheront à exploiter la situation, mais on est assez porté à penser que la solution du différend sino-japonais proprement dit en sera facilitée. Si les dirigeants de Canton prennent le dessus, on peut croire que le règlement entre la Chine et le Japon par des négociations directes ne tardera pas à être en bonne voie; mais il en irait tout autrement si la tendance du nation-

nalisme le plus intransigeant et le plus exaspéré devait l'emporter. Les graves incidents qui se sont produits hier à Nankin, où des étudiants ont attaqué et saccagé des locaux gouvernementaux, sous prétexte que les intérêts de la Chine n'auraient pas été défendus comme ils auraient dû l'être devant le conseil de la Société des nations, constituent des indications inquiétantes sous ce rapport.

La crise ministérielle qui vient de se dénouer au Japon pour la formation d'un cabinet conservateur présidé par M. Inukai a un tout autre caractère. Il s'agit ici d'un remaniement du personnel politique dirigeant dans les conditions ordinaires où se dénouent de telles crises dans les pays ayant des assises solides. Le Japon se trouve aux prises avec de sérieuses difficultés d'ordre financier et économique. Pour parer aux effets de cette crise, il a fallu interdire l'exportation de l'or et le fléchissement du yen oblige à admettre l'abandon de l'étalon or, mesures auxquelles s'opposait l'ancien ministre des finances. Des divergences de vues assez graves existaient entre les membres du cabinet Wakatsuki et le ministre de l'intérieur, M. Adatei préconisait la formation d'un cabinet de concentration pour parer à toutes les difficultés en pleine solidarité des deux grands partis. Cette solution n'ayant pas prévalu, l'empereur a confié la mission de former le nouveau cabinet au président du parti Seiyukai, ce qui implique évidemment un renversement complet de la situation.

M. Inukai jouit dans son pays d'une grande autorité personnelle, mais sa position comme premier ministre sera difficile dans les circonstances où il prend le pouvoir. Il lui faudra réussir dans la tâche que son prédécesseur à la présidence du parti Seiyukai, le baron Tanaka, ne put mener à bonne fin et il ne faut pas se dissimuler que les effets de la crise financière et économique compliquent singulièrement à cette heure la situation générale dans le pays. Alors que les élections de 1928 avaient assuré au parti Seiyukai la possibilité de gouverner, les élections du mois de février 1930 ont ramené en majorité à la Diète japonaise le parti Minseito, ce qui enlève à M. Inukai toute possibilité de gouverner avec le Parlement actuel. Il faudra donc commencer par dissoudre la Diète et par recourir à de nouvelles élections. La Diète devant se réunir normalement le 20 janvier, la dissolution devra intervenir avant cette date et les élections nouvelles devraient avoir lieu au mois de février.

L'arrivée au pouvoir du cabinet Inukai, avec des tendances nettement conservatrices, peut faire craindre un renforcement de l'influence de certains éléments militaires, ce qui serait de nature à faire entrevoir la modification, dans une certaine mesure, de la politique extérieure du Japon, surtout en ce qui concerne la Chine. Mais il semble bien que toute éventualité de ce genre soit écartée. Le choix pour le poste de ministre des affaires étrangères de M. Yoshizawa, ambassadeur du Japon à Paris, qui a joué un rôle de première importance, comme représentant du Japon au conseil de la Société des nations, dans le règlement préparatoire du différend avec la Chine, constitue sous ce rapport une sûre garantie. Tout permet de croire, au contraire, qu'en appelant à la tête du ministère des affaires étrangères à Tokio le diplomate qui a la conception la plus saine des engagements pris par la Chine et le Japon envers le conseil de la Société des nations et qui a fait preuve, au cours de négociations singulièrement délicates, du plus large esprit de conciliation, la volonté du nouveau cabinet japonais de résoudre le problème des relations avec la Chine dans des conditions sauvegardant efficacement la paix en Extrême-Orient.

Huma 17

Enclosure No. 7 to Despatch No. 2114
of December 22, 1931.
From the Embassy at Paris.

Extract from L'HUMANITE, December 17, 1931.

**Soutenons
la Révolution chinoise !**

**80.000 CHINOIS MANIFESTENT
A NANKIN
CONTRE LES INTERVENTIONS
IMPÉRIALISTES**

**Les troupes japonaises
marchent
en direction de King-Tchéou**

Il y a quatre ans, le drapeau rouge flottait sur Canton. Les premiers Soviets étaient proclamés par les ouvriers chinois. On verra plus loin comment est née et fut écrasée la Commune de Canton. Mais il est caractéristique de constater aujourd'hui, alors que 80 millions d'hommes se sont donné dans la Chine centrale le pouvoir soviétique, qu'à Shanghai, à Nankin et ailleurs une vague puissante soulève de nouveau les étudiants et les ouvriers contre le Kuomintang et les bourreaux du peuple chinois.

Nous avons déjà signalé les manifestations de la semaine dernière et de lundi. De nouveaux télégrammes parlaient hier de « véritable insurrection » à Nankin.

A Nankin, 80.000 manifestants parcoururent sans cesse les rues de la ville, criant leur haine à l'égard des traîtres du Kuomintang et leur volonté de lutter contre l'impérialisme.

De Tai-Yuan, dans la province du Chan-Si, on annonce que des membres de l'association des étudiants ont attaqué les bâtiments du gouvernement provincial dont ils ont brisé les portes et les fenêtres.

Par ailleurs, 2.000 étudiants nationalistes se sont rendus à King-



M. INUKAI
le nouveau « Premier » japonais

Tchéou, pour, ont-ils déclaré, se joindre aux troupes qui combattront les Japonais en Mandchourie.

Ce mouvement, qui se développe rapidement, n'est cependant qu'une phase du profond mouvement révolutionnaire entraînant les travailleurs des villes et des champs — éclairés par les trahisons successives du Kuomintang et encouragés par la force croissante des Soviets dans les six provinces du centre — dans la lutte pour la libération de la Chine du joug impérialiste, pour empêcher la réalisation des plans impérialistes de dépècement de leur pays.

Il appartient au prolétariat français, en premier lieu, de soutenir la révolution chinoise montante, par la lutte sur tous les terrains contre l'impérialisme français. Les ouvriers de France doivent empêcher l'envoi de troupes en Chine, doivent exiger le retrait des forces d'occupation, s'opposer aux desseins de l'impérialisme français qui est à la tête des opérations de brigandage et de contre-révolution en Extrême-Orient.

En Mandchourie

La guerre continue à faire rage entre Moukden et King-Tchéou. Autour des trois points stratégiques du Sud-Mandchourien, Tieh-Ling, Niou-Tchang et Tcheng-Tchia-Toun, des combats se déroulent entre les troupes chinoises et japonaises.

De gros renforts japonais sont concentrés vers Niou-Tchang (golfe de Liao-Toung) et les troupes nippones ont traversé la rivière Liao, marchant en direction de King-Tchéou. Des escadrilles japonaises font des reconnaissances... et s'apprêtent à bombarder les rassemblements de « bandits » (les Chinois luttant contre l'occupation) autour de King-Tchéou.

L'impérialisme japonais, comme on voit, s'applique à appliquer les directives du Conseil de la S. D. N.

La situation au Japon

Au Japon, où le ministère de guerre antisoviétique Inukai commence à sévir, la situation économique et financière ne fait que s'aggraver. Les Bourses sont fermées. Les banques ne cotent plus le yen et, malgré la décision de mettre l'embargo sur l'or, hier, 30 millions de yens d'or ont été embarqués à destination des Etats-Unis.

L'abandon de l'étalon-or, exigé par les financiers et les exportateurs qui jouent sur la dépréciation du yen — une coquille malencontreuse nous a fait dire hier que cette mesure était prise « pour parer à l'affaîsissement » de la devise japonaise, alors que l'on sait que l'abandon de l'étalon-or prive la monnaie de sa couverture, la déprécie et ouvre la porte à l'inflation avec toutes ses conséquences désastreuses pour les larges masses — est une des premières mesures du nouveau gouvernement. Cette dépréciation du yen permettra, de l'avis des exportateurs, de concurrencer les produits britanniques sur le marché d'Extrême-Orient (Pacifique et Indes), de pratiquer un véritable dumping des produits japonais. C'est aussi, probablement, une manœuvre stratégique contre les Etats-Unis dans le domaine économique venant renforcer la lutte des deux impérialismes face à face dans le Pacifique.

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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

La conquête de la Mandchourie n'a pas donné les résultats escomptés pour l'amélioration de la situation économique du Japon. L'impérialisme nippon va donc, avec l'appui de l'impérialisme français, s'efforcer à pousser plus avant ses opérations militaires en collusion avec le nouveau gouvernement chinois en formation et renforcer les provocations à la guerre contre l'Union soviétique, suivant le plan Tanaka que rappelait avant-hier le *Temps*.

Il faut donc redoubler de vigilance pour la défense de notre patrie socialiste.

M. MAGNIEN.

Huma 18

Enclosure No. 8 to Despatch No. 2114
of December 22, 1931.
From the Embassy at Paris.

Extract from L'HUMANITE, December 18, 1931.

Les gardes blancs russes fabriquent et achètent du matériel de guerre sous la protection de Maginot et Rollin

A la faveur des événements de la plus grande importance qui se déroulent en Chine et au Japon, se précise chaque jour le danger qui menace l'Union soviétique. Nous avons fourni déjà pas mal de documentation aux ouvriers de ce pays montrant le rôle de l'impérialisme français dans la réalisation des plans d'agression antisoviétique en Extrême-Orient, la joie criminelle avec laquelle les cercles financiers ont accueilli la guerre de la bourgeoisie japonaise en Mandchourie et la perspective de l'extension de l'invasion en guerre contre la patrie des travailleurs, le soutien actif des gardes-blancs par les impérialistes de Paris et de Tokio.

Actuellement, la bourgeoisie française, pour alimenter la préparation idéologique à la guerre contre l'U. R. S. S. ressuscite l'affaire Koutipov, pendant qu'à Bruxelles, autre foyer de conspiration des canailles Russes blanches, des conférences antisoviétiques sont organisées pour le renforcement de l'offensive contre l'U. R. S. S.

Par exemple, le 16 décembre, la Société d'études politiques économiques et sociales avait organisé une séance consacrée à « la lutte contre le communisme ».

Théodore Aubert, le président de la Ligue internationale contre la III^e Internationale qui gravite à Genève autour de la S. D. N., y prit la parole et insista pour que le blocus économique de la Russie soviétique soit organisé.

Thémis, ancien premier ministre belge, déclara, illustrant la lutte des deux mondes capitaliste et socialiste :

« Aujourd'hui la lutte est circonscrite entre notre civilisation et un régime utopique barbare. »

« Le danger soviétique est d'importance. Nous, Belges, nous ne pouvons renouer des relations officielles avec le gouvernement russe. »

De telles manifestations confirment la gravité du danger qui menace l'U. R. S. S. et les efforts qui sont faits pour sceller le front uni des impérialistes contre le pays édifiant le socialisme.

Mais le rôle principal reste à l'impérialisme et au gouvernement français qui favorisent, arment et stipendient les formations de gardes blancs préparant des complots antisoviétiques et des soulèvements sur le territoire de l'Union, comme nos révélations récentes l'ont montré. En voici encore une preuve.

Des armements aux gardes blancs

L'hebdomadaire américain *Nation* de cette semaine publie des révélations sensationnelles sur le travail des gardes blancs russes à Paris. Ces derniers ne se contentent pas des parades militaires du général Miller ou des écoles militaires pour la jeunesse russe contre-révolutionnaire.

La *Nation* écrit qu'en décembre 1930 les ministères de la guerre et du commerce autorisèrent la fondation d'une société de gardes blancs de Paris, ayant pour objectif de « fabriquer, vendre et acheter du matériel de guerre et des munitions ».

Les directeurs de la société sont Poutilov et Liassanov. Ce dernier est un des directeurs de la Société pétrolière «Shell», du trust du fameux Deterding. On sait que Deterding n'a toujours sa participation aux affaires des gardes blancs. Maintenant la *Nation* démasque le roi du pétrole à la lumière de documents. Cette revue écrit :

« En septembre 1930, Deterding assista à une réunion tenue à Sèvres, par des émigrés russes. Y assistaient également des hommes politiques français éminents. Deterding invita la jeunesse de l'émigration à se préparer à une action contre l'Union Soviétique. Il se déclara prêt d'ajouter à chaque dollar collecté en faveur du « fonds d'armement et d'intervention », également un dollar. »

L'émigration de gardes blancs organisa en outre — sous la protection bienveillante des autorités françaises — une banque de mutualité qui commença à fonctionner au mois de janvier de cette année. Un des directeurs de cette banque est Bernadski, ancien ministre des finances des gouvernements de Kerenski et de Denikine.

Voilà, camarades, des preuves nouvelles de la participation active du gouvernement français en liaison avec Deterding, aux préparatifs de guerre contre l'Union Soviétique. Les travailleurs immigrés révolutionnaires sont pourchassés, les ouvriers et chômeurs étrangers sont chassés avec l'appui du parti de M. Bismarck, mais les canailles Russes blanches, sous la protection de Maginot et du jésuite Rollin peuvent fabriquer, vendre et acheter des armes pour, comme le déclara Miller « aller se battre contre l'armée rouge dans les plaines moscovites » et participer à « l'écrasement du bolchevisme dans les steppes sibériennes. (Camille Aymard dit-il.) »

Ces faits doivent stimuler la lutte des travailleurs français contre l'impérialisme français fauteur de guerre. Il faut redoubler d'activité pour exiger l'expulsion des gardes blancs Russes du territoire français. Il faut, par tous les moyens de la lutte de classes, renforcer le combat pour la défense de l'Union Soviétique de plus en plus menacée, parce que les ouvriers et les paysans libérés y édifient victorieusement le socialisme.

M. MAGNIEN.

Hans. 19

Enclosure No. 9 to Despatch No. 2114
of December 22, 1931.
From the Embassy at Paris.

Extract from L'HUMANITE, December 19, 1931.

DÉFENDONS L'U. R. S. S. !

« L'expansion japonaise ultérieure sera un coup porté aux Soviets »

— écrit le journal de Milioukov

Le silence des journaux bourgeois sur les événements de Mandchourie dès la fin de la session du conseil de la S.D.N., est pour cacher la gravité de la situation en Extrême-Orient. Ce silence de commande doit nous inciter à redoubler d'attention quant au danger menaçant l'Union soviétique et les Soviets chinois.

Les premiers résultats des délibérations du conseil, où l'impérialisme français joua avec Briand le rôle dirigeant, peuvent se traduire par :

1. La création à Tokio d'un gouvernement de guerre à outrance ;
2. Le renforcement de la position du Japon en Mandchourie pour la guerre contre l'Union soviétique.

La décision prise par le nouveau gouvernement de l'Empire du Soleil Levant d'envoyer des troupes fraîches en Mandchourie signifie que l'annexion de fait n'est plus douteuse et que la conquête de nouveaux territoires va se continuer avec célérité.

Déjà les autorités japonaises ont donné l'ordre au commandement des forces en Mandchourie, de déclencher les opérations contre les « bandits ». Ordre a été donné à Tehang Shue Liang d'avoir à retirer à bref délai ses troupes au delà de la Grande-Muraille, sinon une attaque de King-Tchéou sera entreprise par les troupes japonaises qui ont déjà franchi la rivière Liao.

France-Japon

Pour bien montrer le jeu et les intérêts de l'impérialisme français en Extrême-Orient, il nous faut revenir sur la collusion franco-japonaise dans la guerre en Mandchourie et dont tous les débats de Genève et de Paris ont été l'expression.

Le rapprochement de plus en plus étroit de la France et du Japon est le résultat des intérêts communs de ces deux puissances impérialistes tant à l'échelle mondiale qu'en Extrême-Orient.

L'alliance tacite franco-japonaise renforce la position de la France dans sa lutte pour l'hégémonie mondiale, dans le Pacifique comme en Europe.

En ce qui concerne l'Europe, l'établissement d'une place d'armes par le Japon en Mandchourie contre l'U.R.S.S. renforce immédiatement les positions antisoviétiques de la France à l'Est de l'Europe. Dans ces conditions, on comprend mieux les diatribes de la presse française relatives aux « alliances » franco-japonaise et polono-japonaise.

En ce qui concerne l'Extrême-Orient, l'alliance franco-japonaise est caractérisée avant tout par ce fait que les deux puissances tendent au « rétablissement de l'ordre en Chine » (qu'il faut comprendre par : « partage de la Chine ») et à la création dans les provinces de gouvernements « autonomes », c'est-à-dire dépendant des impérialistes (voir la Mandchourie) et assurant la vassalité de la Chine en face des impérialismes. L'« ordre » en Chine est nécessaire à la France dans le but d'arrêter le mouvement révolutionnaire en Indochine, de développer le commerce franco-chinois, et d'assurer la « se-

curité » des capitaux français investis en Chine — en particulier en Mandchourie (se rappeler l'article de la *Revue Militaire* relatif à l'Est-Chinois). De plus, le Japon s'emparant du marché mandchou, opérera une moins grande exportation en Indochine de produits fabriqués qui pourront être fournis en plus grande quantité par les capitalistes français. (Notons au passage qu'au conseil d'administration de la *Banque Franco-Japonaise* on trouve M. Charles Dumont, ministre de la marine du cabinet Laval.)

La menace japonaise

Et la guerre à laquelle le Japon veut provoquer l'U.R.S.S. est un danger qui menace chaque jour davantage.

N'annonçait-on pas, hier, la nomination au poste de chef d'état-major général de l'armée japonaise du maréchal prince Kanin ? Ce militaire est très lié avec l'état-major français : il a fait ses études à Saint-Cyr.

Et les *Dernières Nouvelles*, l'organe du bloc Milioukov, publiait hier une « lettre de Kharbine » significative au plus haut point.

« Comme devant, écrit le correspondant des « Dernières Nouvelles », dans l'émigration, les esprits continuent à être intrigués par cette question : les opérations de l'expansion japonaise en Mandchourie se terminent-elles, ou bien ces événements ne sont-ils qu'un premier pas de cette expansion, suivi d'autres ? »

« Dans la majorité écrasante, le public de l'émigration penche à évaluer ces événements comme le début d'une tragédie qui n'est pas seulement mandchourienne, mais extrême-orientale, comme les premiers actes de cette tragédie. Dans leur majorité, les politiciens de l'émigration comme les autres émigrés sont convaincus que l'expansion japonaise ultérieure sera un coup porté aux Soviets ».

Et le journal continue avec satisfaction :

« ...On peut être certain que tôt ou tard, l'expansion japonaise s'étendra à l'Extrême-Orient soviétique. »

Plus que jamais : Alerte !

Dès le début de l'invasion de la Mandchourie par les troupes japonaises, nous avons alerté les masses travailleuses en dénonçant le but antisoviétique de l'occupation. Le cours des événements, les opérations stratégiques de l'armée japonaise, les intrigues de chancelleries, les provocations des gardes-blancs et du gouvernement de Tokio, le ton de la presse française et japonaise ont montré clairement que les impérialistes travaillent à provoquer la guerre contre le pays du socialisme.

Les russes-blancs, armés et payés par les impérialistes de Paris, de Tokio et de Londres (voir les révélations de *The Nation* que nous avons publiées hier) sont au premier rang des manœuvres qui doivent provoquer cette guerre du monde capitaliste pourrissant contre le monde socialiste en plein essor économique, social et culturel. Et tous les plans criminels des monarchistes Miller et Semenov, des Kerensky et des Liazanov, des « démocrates » Milioukov, des mencheviks Dan. Abramovitch et Rosenfeld sont préparés à Paris, sous la protection du gouvernement français.

Il ne faut pas perdre une minute dans notre lutte de masse pour la défense de l'U.R.S.S. Luttant contre l'impérialisme français, exigeons partout l'expulsion des gardes-blancs russes du territoire français qui recrutent pour l'armée japonaise. Empêchons l'envoi de troupes et de navires en Chine destinés à combattre les Soviets chinois : exigeons le retrait des troupes d'occupation.

M. MAGNIEN.

Enclosure No. 10 to Despatch No. 2114
of December 22, 1931.
From the Embassy at Paris.

Extract from LE JOURNAL, December 19, 1931.

L'action secrète des Soviets dans le conflit de Mandchourie

Après un vif débat, le gouvernement de Moscou a décidé d'armer
la Mongolie à l'insu de Tokio et de préparer
une offensive du général mandchou Ma contre les troupes japonaises

Aux termes de la résolution du 10 décembre, la commission désignée par la Société des nations pour examiner les moyens d'apaiser le conflit de Mandchourie doit faire rapport sur toutes les circonstances de nature à affecter les relations internationales.

Le mandat est si large que l'on peut se demander si les commissaires ne seront pas tentés de le limiter eux-mêmes.

Nous nous permettons de signaler à leur attention un des éléments les plus susceptibles d'affecter les relations internationales en Extrême-Orient : l'activité des Soviets. Le bon sens populaire simpliste ne s'y est pas trompé. Combien de fois nous a-t-on posé la question : « Quel rôle joue dans cette affaire la puissance la plus ardente à semer des troubles et à en profiter ? »

La curiosité a été éveillée quand on a appris que les Soviets armaient les troupes du général Ma, qui attaquaient les Japonais dans la province du Nord. Elle est devenue plus intense quand les Japonais sont entrés à Tsitsikar, prenant ainsi contact avec le chemin de fer russe de l'Est chinois.

Les Russes allaient-ils réagir en violence ? Tout au contraire, les Soviets se sont tenus cois, laissant les Chinois se débrouiller tout seuls.

Comment expliquer cette tactique ? Dans quelles conditions a-t-elle été adoptée ? Quelles arrière-pensées dissimule-t-elle ? Voilà les questions auxquelles nous sommes en mesure d'apporter la réponse de renseignements précis, reçus de première main.

Un grand débat a eu lieu récemment, à Moscou, sur la question de Mandchourie au Politbureau, qui est, on le sait, le bureau politique de la III^e Internationale et le rouage dirigeant du gouvernement soviétique. Staline préside. Les rapporteurs sont Karakhan, commissaire adjoint aux affaires étrangères, et Vorochiloff, commissaire à la guerre.

Karakhan fait remarquer que l'action japonaise est en contradiction avec les engagements du *modus vivendi* existant entre Moscou et Tokio sur la question de Mandchourie. Aux termes de ce *modus vivendi*, les Japonais ne doivent pas approcher de la ligne du chemin de fer russe de l'Est chinois à plus de 25 kilomètres, et ils ne doivent pas traverser le 116^e méridien, qui est la délimitation entre la Mongolie et la Mandchourie, d'après une convention secrète russo-japonaise qui a été reprise de l'héritage du tsar par le gouvernement soviétique.

Karakhan rappelle que le commissariat russe des affaires étrangères a chargé l'ambassadeur à Tokio, M. Troianowsky, de protester auprès du gouvernement nippon.

Vorochiloff prend une attitude beaucoup plus tranchante. Il constate que les opérations japonaises sont en train de ruiner la ligne russe et menacent de couper les communications entre Manchouli et Kharbine. Or, c'est par cette ligne que les forces russes peuvent venir de Sibirie pour exercer une action en Mandchourie. Le commandant des forces russes en Extrême-Orient, Blucher, dont l'état-major est à Khabarovsk, a été avisé de la gravité de la situation. Il a fourni des armes au général Ma Tchang Tchan et lui a



KARAKHAN
commissaire adjoint aux affaires
étrangères des Soviets.

déclarant que le commissariat aux affaires étrangères a agi en parfaite connaissance de cause. Il a voulu, avant tout, éviter un conflit direct entre la Russie et le Japon. Il a jugé beaucoup plus habile de faire dévier l'action japonaise du côté du sud, vers Tchén-Tchéou.

— Cette habileté, souligne Karakhan, nous a conservé la bonne amitié du Japon, en même temps qu'elle a préparé le développement de frictions certaines entre les impérialismes japonais et américain. Il nous restera seulement à profiter de ce conflit pour rétablir la situation sur le chemin de fer de l'Est chinois.

SAINT-BRICE.



Milton O. Gustafson

12-18-75

Mandchourie, d'après une convention secrète russo-japonaise qui a été reprise de l'héritage du tsar par le gouvernement soviétique.

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VOROCHILOFF
commissaire à la guerre.

procuré des canons, des munitions, des tracteurs. Mais cette opération d'assistance a dû être interrompue, sur la demande même du commissariat des affaires étrangères, qui redoute un conflit avec le Japon.

Vorochiloff s'élève très vivement contre cette intervention. Il traite les fonctionnaires de ce ministère de « froussards » et il rejette la principale responsabilité sur le commissaire aux affaires étrangères, M. Litvinoff. Par suite de l'intervention de celui-ci, le général Ma n'a pas pu résister aux Japonais.

— Nous avons perdu ainsi, gronde Vorochiloff, une belle occasion de créer dans la province septentrionale de la Mandchourie, la province du Heï-Lou-Kiang, un gouvernement bien organisé au point de vue militaire qui eût été complètement sous notre emprise. Le général Ma a toujours été notre ami. Il en a donné des preuves en faisant fusiller le général russe-blanc Kakmykoff. Jamais les Japonais n'oseraient transformer leur expédition de Mandchourie en une action de guerre véritable. Maintenant, le général Ma Tchang Chan n'a plus que la ressource de se replier devant les Japonais. La Mandchourie du Nord est perdue pour nous.

Karakhan riposte à l'attaque en

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 Department of State letter, August 10, 1972
 By Milton O. Gustafson NARS, Date 12-18-75

A la suite de ces délibérations, le Politbureau a pris les décisions suivantes :

1° Appuyer la politique suivie par le commissariat aux affaires étrangères;

2° Proposer au gouvernement de la Mongolie de prendre les mesures nécessaires pour mettre en état l'armée de cette république en cas d'un nouveau conflit dans la Mandchourie du Nord. Dans ce but, le commissariat à la guerre, à Moscou, est chargé d'envoyer à Ulan-Bator cent instructeurs choisis exclusivement parmi les peuplades mongoles habitant la Russie, 90 pièces d'artillerie légère, 1.000 mitrailleuses et 10 escadrilles d'avions;

3° Charger l'ambassadeur russe à Tokio de négocier avec le gouvernement japonais le retrait des troupes nippones de la zone russe;

4° Charger le consul général russe à Kharbine et le commandant en chef Blucher d'établir des relations suivies avec le général Ma Tchang Tchan, de conseiller à celui-ci de suivre la même politique que Tchang Tso Lin, c'est-à-dire de céder à la force japonaise et, en même temps, de préparer, avec l'aide de la Russie, une armée bien organisée pour porter aux Japonais un coup décisif à une heure bien choisie;

5° Pousser le général Ma vers une alliance tenue bien secrète avec le gouvernement mongol d'Ulan-Bator, mais, en aucun cas, ne se lier avec lui directement, de façon à éviter à tout prix, en cas de révélations, un conflit armé avec le Japon;

6° Charger le consul russe à Kharbine de distribuer une somme d'un million de roubles parmi les princes mongols, afin d'établir un accord entre eux et le gouverneur d'Ulan-Bator.

Voilà, n'est-il pas vrai ? qui jette un jour tout à fait lumineux sur l'activité des Soviets et sur certains épisodes des affaires de Mandchourie ! Nous comprenons maintenant pourquoi les Japonais avaient envoyé en Mongolie le malheureux capitaine du service des renseignements dont l'assassinat a été une des principales causes du conflit. Nous voyons surtout se développer d'une façon bien curieuse l'activité du général Ma Tchang Tchan.

Or, dès maintenant, le général Ma est réconcilié avec les Japonais, parce qu'il a reconnu que ceux-ci étaient maîtres de la situation. Les Soviets l'invitent à continuer la méthode de Tchang Tso Lin et de Tchang Sueh Liang, c'est-à-dire de courber l'échine, en apparence, devant les Japonais, tout en organisant discrètement une armée pour les chasser à la première occasion.

Comment, après cela, ne pas comprendre la parfaite légitimité des précautions japonaises ? — S. B.

Hum. 20

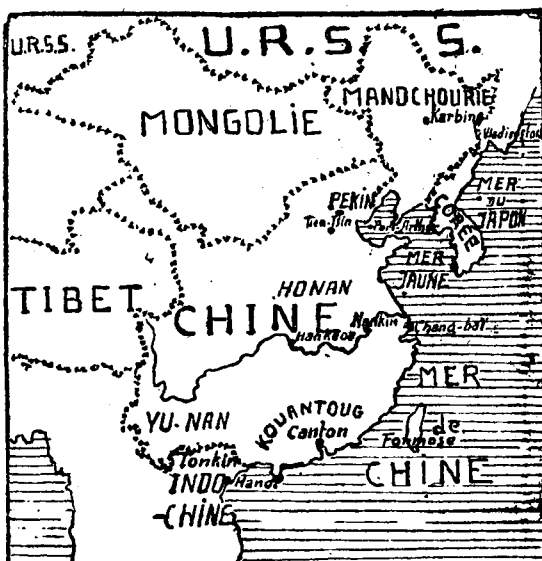
Enclosure No. 11 to Despatch No. 2114
of December 22, 1931.
From the Embassy at Paris.

Extract from L'HUMANITE, December 20, 1931.

La France fait la guerre en Extrême-Orient

LES TROUPES FRANÇAISES ONT ENVAHI LES PROVINCES MÉRIDIONALES DE LA CHINE

Les combats ont
commencé entre
les forces de la
France et les parti-
sans rouges chinois
Le Japon adresse
un ultimatum à
la Chine
Il faut arrêter le
bras de l'impéria-
lisme français,
lutter pour la
défense et la vic-
toire des Soviets
chinois



Carte montrant comment d'Indochine les troupes françaises peuvent envahir les provinces méridionales de la Chine

La guerre d'Extrême-Orient est entrée décidément dans une phase nouvelle.

Depuis plusieurs mois, les opérations se poursuivaient en Chine avec la participation active de l'impérialisme français, et l'appui total de la S. D. N.

Elles se poursuivaient en assumant un caractère de plus en plus accusé de guerre contre l'U. R. S. S. et contre les masses chinoises en ébullition.

Nous avons ici, depuis dix jours, étayé cette double affirmation sur un certain nombre de faits qu'il est indispensable de rappeler :

1° L'activité accrue de l'émigration contre-révolutionnaire à Kharbine, laquelle est très étroitement liée au gouvernement et à l'Etat-Major de Paris ;

2° La nomination à Tokio d'un gouvernement de guerre à outrance, dont le premier soin a été de désigner, pour conduire ses opérations militaires, le général Kanine, parti-

agences donnent les renseignements suivants :

« On télégraphie de Moukden à l'agence Rengo, qu'afin d'assurer le maintien de la paix et de l'ordre en Mandchourie, un ultimatum demandant le retrait des troupes chinoises à Tchén-Tchéou, sur un point derrière l'enceinte de la Grande Muraille, dans un délai déterminé, va probablement être envoyé aux autorités chinoises. »

Traduisons en clair. Le Japon, après avoir massé des troupes fraîches dans la zone occupée, ordonne aux Chinois d'évacuer totalement la Mandchourie.

Fait remarquable et gros de signification. Deux événements politiques sur lesquels il est indispensable d'insister ont précédé l'ultimatum japonais.

D'une part, le gouvernement français vient de désigner le général Claudel, membre du Conseil supérieur de la guerre, comme représentant français dans la Commission d'enquête ; d'autre part, s'engage dans la presse française une campagne de grand style sur le mandat de ce louche organisme

Le mandat de la commission d'enquête

Ce mandat — on s'en souvient — est à dessein extrêmement vague. Les commissaires, a expliqué M. Briand, peuvent aborder tous les sujets, sauf ceux qui ont trait au mouvement des troupes.

Des commentateurs diligents ont eu soin de nous expliquer ce que signifiait la formule ministérielle. Voici en quels termes, dans le Journal, M. Saint-Brice, confident du Quai d'Orsay, s'adresse aux futurs commissaires :

« Nous nous permettons de signaler à leur attention un des éléments les plus susceptibles d'affecter les relations internationales en Extrême-Orient : l'activité des Soviets ».

Là-dessus, Saint-Brice se lance à corps perdu dans un certain nombre de radotages. Il nous explique que les Soviets ont armé le général Ma. Or, non seulement cette fable invraisemblable a été abandonnée par ceux qui l'avaient lancée, mais de plus il a été démontré et avoué par la presse nipponne que Ma avait bel et bien été approvisionné en armes et en munitions par une grande firme japonaise. M. Saint-Brice nous dit encore avoir reçu de première main (sic) des renseignements précis (resic) qui lui démontrent que de graves discussions se seraient produites au sein du polit bureau qui est, on le sait, le bureau politique de la troisième Internationale » (veresic) sur la politique à suivre en Extrême-Orient. Ces balourdises, qui témoignent d'une ignorance crasse des choses les plus élémentaires du fonctionnement des organismes soviétiques, suffiraient à caractériser tout le morceau de littérature du rédacteur du Journal. Aussi bien l'auteur n'en est-il plus à son coup d'essai.



Le général CLAUDEL
qui, en qualité de membre de la
commission de la Mandchourie de la
S. D. N., ira sur place proposer
l'agression antisoviétique

culièrement lié aux milieux militaires français, puisqu'il appartient aux écoles françaises de guerre ;

L'ultimatum japonais et la nomination du général Claudel

3° La décision du cabinet nippon de procéder à la relève des troupes qui séjournent en Mandchourie et qui ont été remplacées, ces jours-ci, par des forces militaires neuves ;

4° Enfin — la nouvelle est d'hier — l'ultimatum adressé par le gouvernement de Tokio aux troupes chinoises, ultimatum au sujet duquel les

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 Department of State letter, August 10, 1972
 By Milton O. Gustafson NARS, Date 12-18-75

C'est lui qui, l'an dernier, à la veille du procès des industriels, annonça froidement que Vorochilof préparait un coup d'Etat contre Staline... Avec la même assurance, il nous affirme aujourd'hui que les Soviétiques ont décidé « d'armer la Mongolie ».

Et M. Saint-Brice découvrant tout à coup un petit bout de sa grande oreille : « Comment après cela ne pas comprendre, s'écrie-t-il, la parfaite légitimité des précautions japonaises ? »

Mais ce n'est point tant aux « précautions » japonaises que pense M. Saint-Brice qu'aux mesures militaires prises depuis plusieurs semaines par l'impérialisme français.

L'invasion française

C'est un fait que le démenti honnête et classique du Quai d'Orsay ne parviendra pas à infirmer, que depuis plusieurs semaines, des forces françaises massées à la frontière du Tonkin ont pénétré sur le territoire chinois et envahi les provinces du Kuangtouny et du Kuangsi en Chine méridionale.

Les hostilités ont commencé entre les forces de la cavalerie française et les partisans rouges chinois, c'est-à-dire avec l'armée rouge chinoise amie et alliée des ouvriers et des paysans du monde entier.

C'est un fait qu'un traité militaire secret franco-japonais a été élaboré et mis au point pendant le séjour de Reynaud en Indochine.

La France laissera les mains libres à l'impérialisme japonais en Chine septentrionale. Par contre, le Japon soutiendra les aspirations annexionnistes de la France en Chine méridionale.

Les baïonnettes de l'impérialisme français accomplissent une double mission. Elles doivent d'une part assurer la domination française dans les régions méridionales de la Chine et accaparer la ligne ferroviaire qui y a été construite récemment ; d'autre part, l'occupation du Yunan est le prélude de l'offensive contre les Soviétiques chinois.

Nous avons écrit ici plus de vingt fois que la France était l'instigatrice de la guerre extrême-orientale.

Aujourd'hui déjà, cette formule n'est plus juste. Il faut dire que la France fait la guerre contre la Chine soviétique et contre l'U. R. S. S. Il faut dire que pendant qu'ici les chômeurs meurent de faim, pendant qu'en Indochine on coupe des têtes,

en Chine des soldats de l'impérialisme français tombent sur les champs de bataille.

Nous commettrions une faute impardonnable si, dans ces conjonctures, nous ne donnions pas à notre campagne un nouvel élan et une vigueur nouvelle.

Il faut exiger — et par tous les moyens de lutte — le retrait immédiat des forces militaires et navales françaises d'Extrême-Orient.

La guerre a commencé. Il faut lutter contre la guerre en nous inspirant des enseignements si féconds que le bolchevisme nous a légués.

Il faut faire plus, il faut aider de toutes nos forces les paysans chinois à se défendre et à vaincre.

Ils sont nos alliés ; ils réclament notre concours. Les fils de la Commune de Paris et les héritiers de la Commune cantonnaise sont solidaires. Leur solidarité doit se traduire en actes et elle doit d'exprimer au cours des luttes ouvrières engagées à cette heure par les prolétaires de France.

Gabriel PERI.

Enclosure No. 12 to Despatch No. 2114
of December 22, 1931.
From the Embassy at Paris.

Extract from L'HUMANITE, December 21, 1931.

MALGRÉ LES DÉMENTIS DU GOUVERNEMENT

La presse américaine anglaise et chinoise confirme l'invasion des provinces du Sud de la Chine par les troupes françaises

La guerre fait rage en Mandchourie et la France impérialiste a entrepris de vastes opérations militaires dans Sud de la Chine pour l'occupation du Yunan et contre les Soviets chinois.

Ces deux faits brutaux doivent dominer les esprits des travailleurs dans leur lutte de masse, derrière le Parti Communiste, contre l'impérialisme français.

Après l'envoi de l'ultimatum enjoignant à Tchang Saue Liang d'avoir à retirer ses troupes derrière la Grande Muraille, dans un délai de sept jours, l'offensive de grand style, préparée depuis la fin de la session du conseil de la S.D.N., a été déclenchée par le général Honjo.

A l'Ouest du Sud Mandchourien (c'est-à-dire en direction de la Mongolie), et au Nord de Moukden, les troupes nipponnes, appuyées par des avions, livrent bataille aux détachements chinois. Le sang coule.

Au Sud de Moukden, tout est prêt pour l'occupation de King-Tchéou et du port de Houlon-Tao. La situation s'aggrave et l'ambassadeur de Chine à Tokio a été rappelé précipitamment.

Cependant l'impérialisme américain donne de nouveau de la voix en face de la menace japonaise contre King-Tchéou. Le département d'Etat a informé le gouvernement de Tokio que Washington « considérerait comme très regrettable l'occupation de King-Tchéou ». Les intérêts des impérialistes yankees étant menacés à nouveau, la querelle sordide reprend.

Mais Tokio est fort de l'appui de la France impérialiste. L'administration de la Mandchourie est passée définitivement à un « pouvoir central », instrument du Japon, qui coordonnera les actions « de protection des droits du Japon en Mandchourie et en Mongolie ». L'occupation va donc s'étendre à bref délai à la Mongolie, préparant l'agression contre l'U.R.S.S.annoncée par les gardes-blancs de Kharbine, pour l'annexion de la République soviétique d'Extrême-Orient.

La nomination du général Claudel comme délégué français à la fameuse Commission d'études en Chine (il présidera cette commission), est significative et doit renforcer l'attention des ouvriers français sur l'extension de l'occupation nipponne et sur le danger menaçant l'U.R.S.S. Et les attachés militaires français, anglais et américains confèrent présentement avec le général Honjo.

La pénétration des forces françaises en Chine méridionale

Dans la Chine méridionale, la situation est aussi des plus graves.

Nous avons dénoncé hier la pénétration de forces françaises dans le Yunan et les provinces de la Chine méridionale qui s'opère en connexion avec l'extension de l'expansion nipponne au Nord et suivant les stipulations de la convention secrète franco-japonaise.

Briand a naturellement démenti. On dément tout à Paris des preuves accablantes des actions criminelles de l'impérialisme français. L'abominable Poincaré nia lui aussi, en son temps, l'appui donné aux gens du Torgproni.

Mais le gouvernement français ne réfute aucunement les informations de la presse américaine et anglaise sur les déplacements de troupes françaises et les combats qui ont déjà eu lieu entre ces dernières et les partisans rouges des Soviets chinois.

Le journal américain Evening Star du 16 décembre, s'occupant de l'invasion française au Sud de la Chine, sous le prétexte — vraiment bien trouvé — de « pourchasser les bandits » écrit :

Ces informations n'étonnent point certains milieux bien renseignés de Washington. Elles confirment plutôt les récentes nouvelles sur l'existence d'un accord franco-nippon. Les événements actuels en Chine sont les résultats des négociations que les deux gouvernements ont menées. Une rencontre de personnages officiels en Indochine permit de conclure une entente concernant les diverses régions de Chine, qui « ne doivent pas se trouver dans la main des administrations faibles et corrompibles ». Il s'agit des pays de Mandchourie et de Yunan. Cet accord a été confirmé définitivement à propos de la visite au prince japonais à Paris.

Le journal dévoile encore que le plan « d'envahissement économique » a été déjà élaboré il y a dix ans lorsque fut fondée la Banque française pour le développement des richesses foncières de Yunan.

Comme on le voit, le plan de partage de la Chine qui est exécuté présentement sous la direction de la France existe depuis longtemps. Les coups de la crise économique et financière poussent à sa réalisation rapide.

Briand, le « pacifiste » qui prépare la guerre, dément. Mais les faits sont là qui doivent être portés à la connaissance de tout le prolétariat français.

La presse de Shanghai dénonce

Le journal China Press, de langue anglaise, édité à Shanghai, soulignait le 16 décembre que « l'invasion japonaise en Mandchourie et les dernières opérations militaires à la frontière du Kouangsi et au Yunan caractérisent bien la situation. »

Les nouvelles provenant d'Indochine, écrit ce journal, sur les événements qui se passent dans ce pays prouvent que les milieux militaires français préparent une opération contre les provinces méridionales de la Chine.

Et les feuilles chinoises et anglaises de Shanghai dévoilent encore que le 7 décembre une compagnie de soldats annamites a franchi la frontière du Yunan et a pénétré dans le rayon de Coaban.

La revue Tsevin publie un article soulignant que la Mandchourie est désormais, en fait, une colonie japonaise et que les puissances européennes fomentent des plans analogues. L'Angleterre veut occuper la province du Kouantoung et la vallée du Yang-Tse-Kiang. L'Amérique aspire à la possession des provinces méridionales du Tchekiang et du Foukien et à étendre son emprise dans la Chine du Nord, tandis que la France prépare l'occupation du Yunan, du Koei-Tchéou et du Kouangsi.

Voilà exposé le plan de dépècement de la Chine qui domina tous les marchandages aux trois dernières sessions du conseil de la S.D.N. Le Japon a déjà accompli une partie de son programme de brigandage. LA FRANCE DE LA GUERRE ANTISOVIETIQUE A COMMENCE

DEPUIS PLUSIEURS SEMAINES LA
REALISATION DE SES VISEES AN-
NEXIONNISTES ET DE GUERRE CON-
TRE LA CHINE SOVIETIQUE.

Pas une minute à perdre

L'intervention commune des puissances de proie contre les Soviets chinois, seule force de paix à l'Extrême-Orient avec l'U.R.S.S., seule force de résistance au partage de la Chine et de lutte contre les impérialistes, n'est donc plus à l'état de projet, mais c'est le fait de l'heure présente et la France des Poincaré, des Briand, des Renaudel assassine déjà les travailleurs de Chine luttant pour leur indépendance.

Et pendant que les armées impérialistes envahissent le territoire chinois, les canailles sanglantes du Kuomintang, vils agents des puissances renforcent la terreur contre le mouvement révolutionnaire ; à preuve l'assassinat à Shanghai de l'ouvrier communiste Teng Yenta, que les agences aux ordres représentaient hier comme « un chef de la III^e Internationale », pour justifier le crime.

Les impérialistes portent la guerre en Chine. A la tête est l'impérialisme français qui veut écraser la révolution chinoise pour faciliter le crime de la guerre antisoviétique.

Accentuons, dédoublons nos efforts pour soutenir et aider à vaincre les travailleurs de la Chine révolutionnaire. Renforçons la lutte contre l'impérialisme français, contre ses agents du parti de M. Blum et les « pacifistes » qui sanctionnent ces abominables méfaits.

La guerre impérialiste fait ses ravages : Combattions la guerre impérialiste, préparons sa transformation en guerre de classe de libération.

Des soldats de l'impérialisme tombent sur les champs de bataille : exigeons le rappel immédiat des troupes du territoire chinois et des forces navales.

Et renforçons le combat de masse pour la défense de notre patrie socialiste.

M. MAGNIEN.

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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75



PM RECD



LEGATION OF THE
UNITED STATES OF AMERICA
Riga, Latvia.

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A/C

December 16, 1931.

ASSISTANT SECRETARY OF STATE
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DIVISION OF
EASTERN EUROPEAN AFFAIRS
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CONFIDENTIAL.

No. 8339

JAN 16 1932

FILED

The Honorable

The Secretary of State,
Washington.

JAN 6 1932

Sir:

193.94/2468

I have the honor to report, with reference to my
confidential despatch No. 8169, of October 23, 1931, that
Charge d'Affaires Carlson, at Tallinn, has at my request
given this Legation certain information concerning opinions
current in Estonia as to the present conflict in Man-
churia

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churia between Japan and China, and the effect thereof on those in the Western border states who nurse ideas of intervention in the U.S.S.R. Mr. Carlson states that once the subject was casually introduced the other parties to the conversations talked quite freely.

At the Estonian Foreign Office he had a conversation with Mr. Laretei who stated, among other things, that officially the Estonian Government had taken no standpoint on this subject largely for the reason that there was no occasion for it to do so. He said, however, that, in his opinion, Estonia was experiencing a certain feeling of relief in the fact that the foreign political interests of the U.S.S.R. were now being centered in the Far East rather than in the West. This, it is felt in Estonia, will direct the attention of the Soviet authorities away from the border states in Eastern Europe and give the latter a certain feeling of security, at least for the time being. According to Mr. Laretei, there does not seem to exist in official circles in Estonia the feeling that Japan will continue its activities in Manchuria to the point of provoking^a war with the Soviet Union. Furthermore, it appears that most Estonians are of the opinion that the U.S.S.R. will, under no circumstances let itself become embroiled in a conflict in the Far East. It will, rather, try to keep the contest going, by rendering concealed support to China.

As far as public opinion is concerned, Mr. Laretei expressed the view that the Estonians are inclined to favor the Japanese standpoint largely because of the fact that the U.S.S.R. appears to be inclined to support
China

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China in this issue. This seems to be quite natural since, in the Russo-Japanese war of 1905, the Estonians, as a group, appear to have been outspoken in their wishes for a Japanese victory. Mr. Laretei stated that there is nothing to show that the opinion exists in Estonia that the outbreak of a conflict between the U.S.S.R. and Japan would be followed by attacks against the U.S.S.R. by any of the states bordering upon the U.S.S.R. in the West.

Mr. Carlson further reports that a somewhat different attitude is expressed in a newspaper article which appeared in the Estonian daily newspaper PAEVALEHT on November 23, 1931 (No. 320) under the heading of "Foreign Political Observations." The writer of this article, one E. Jalak, takes the standpoint that Estonia should side with China in the present struggle in Manchuria. He points out that the League of Nations is unquestionably favoring Japan in this issue, chiefly for the reason that Japan is the stronger of the two contestants from a military point of view. China, the weaker State, is therefore being left to the mercy of its strong opponent. The writer then turns to Estonia and shows that in practically any encounter of a similar character in which Estonia might become involved, it would be almost certain to be the weaker party; hence, like China, it could not count upon support from the League. The article is then directed against the League of Nations, which, it is said, is not in a position to protect the interests of weaker parties to conflicts, not even to such an extent as to justify the annual dues which the latter contribute to the League of Nations for its maintenance.

The

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The article in question was transmitted by the Tallinn Legation to the Department of State in despatch No. 154 (Diplomatic), on November 28, 1941.

The interest of the members of the Tallinn diplomatic corps in the Estonian reaction to the above question appears to be somewhat slack. Mr. Carlson's Swedish colleague Barons Roskull, who usually takes a keen interest in all matters pertaining to the U.S.S.R., had comparatively little to say on the above subject. The Latvian Minister, Mr. Karlis Zarin *, had evidently made a few inquiries on the subject in behalf of his Government: he was able to give Mr. Carlson the benefit of conversations which he had had recently with several prominent Estonians on this matter. From these conversations Mr. Zarin gained the impression that there exists in certain circles the hope that the U.S.S.R. will become involved in a conflict of arms with Japan because of the situation in Manchuria. In this event, Mr. Zarin has been told, Estonia will benefit in at least three directions: in the first place it would be almost certain to participate in the furnishing of the war supplies and materials which the U.S.S.R. would have to secure from foreign sources; secondly, the political interests of the Soviets would be directed towards the East rather than to the West for some time to come, with the result that, for the time being at least, Estonia's apprehensions from attack by the U.S.S.R. would be lessened; and, finally, the chances of winning such a war being in Japan's favor, the prestige, influence and power of the U.S.S.R. would be greatly weakened which is a situation very much to be desired by Estonia.

As a matter of interest, Mr. Zarin stated that in certain circles in Estonia it is believed that in the event

* Since Dec. 10th in Riga as Minister of Foreign Affairs.

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event of the outbreak of a Soviet-Japanese conflict and of the repetition of the situation which resulted at the end of the Russian-Japanese War of 1905, separatist movements of importance would be almost certain to arise in the U.S.S.R. He was able to point to the case of the Tartars who, he stated, are only waiting for an opportunity of the above kind in order to proclaim their independence and to establish an independent Government of their own.

Respectfully yours,

Felix Cole

Felix Cole
Charge d'Affaires a.i.

710 Japan-China.

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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

DOCUMENT FILE

NOTE

SEE 893.00 P.R. Hankow/53 FOR #58

FROM Hankow (Adams) DATED Nov 13, 1931
TO _____ NAME _____ 1-1127 o p o

REGARDING:

Increasing effectiveness of the boycott of Japanese goods; measures taken to give military training to students of higher education; further evacuation of Japanese residents in ports along the Yangtze River; precautions taken by the Wuhan military to prevent disturbances involving the Japanese; and the apprehension on the part of the Japanese that the Japanese would find some excuse for creating an incident in the Wuhan area.

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793.94/3361

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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

4. Manchurian Situation:

The principal developments at Hankow during the month as the result of the situation in Manchuria were (1) the increasing effectiveness of the boycott of Japanese goods, (2) measures to give military training to students in the higher grades of study, (3) further evacuation of Japanese residents in ports, other than Hankow, along the Yangtze River, (4) increased precautions by the Wuhan military authorities to prevent the occurrence of disturbances involving Japanese, and (5) an increased

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apprehension on the part of the Chinese authorities that the Japanese would find or make some excuse for creating an incident in the Wuhan area.

There were three Japanese Naval vessels at Hankow on October 3, four on October 10, and five on October 31. Early in November this number had increased to nine. It is thought, however, that the present man and gun power of the Japanese naval force in Hankow is not very much greater than that of the naval force here at the beginning of October.

On October 13 the WUHAN DAILY NEWS, Hankow, published what purported to be a reply by the Hupeh Provincial Government to a protest lodged by the Japanese Consul General at Hankow against anti-Japanese activities. The following is a translation of the reply as it appeared in the above named newspaper:

"The receipt is acknowledged of your recent letter expressing fear that the anti-Japanese propaganda and economic severance agitation undertaken by the Chinese will endanger the lives and property of Japanese subjects and requesting that this movement be emphatically stopped.

"This Government naturally will assume responsibility for the protection of foreign life and property. Decidedly there will be no untoward movement of any kind which will jeopardize the safety of Japanese subjects. There is no need for over-anxiety on this point.

"On account of recent events in the Three Eastern Provinces local merchants and people prompted by their zealous patriotism do not wish to purchase Japanese goods. The Government is not in a position to compell them to purchase Japanese goods. But it is hoped that your Government will promptly solve the incident in the Three Eastern Provinces on the basis of rightness and justice, so that the Chinese nation may return to their old psychology of

friendliness.

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friendliness. If so, the trade and commerce between the two nations will naturally develop daily and your wish may be satisfied; a state very much desired by this Government.

"Besides again ordering the military and the police separately to do their best in protecting foreigners and strictly to prevent unlawful activities on the part of brigands, we beg to make this reply for your information."

From various sources the writer has gathered information and opinions which result in the following estimate of the general Sino-Japanese situation as it appears in Wuhan. This estimate leaves out of consideration what seems here to be the unlikely possibility that the League of Nations may find a formula acceptable to both Japan and China:

There is a notable industrial and trade depression in Japan and there is, and has been for some time, a dangerous radicalism amongst the working classes in Japan. Industrialized Japan is very largely dependent upon her markets in China, French Indo-China, the Philippines, Siam, Straits Settlements, Federated Malay States, and the Dutch East Indies. In all these areas the retail trade is principally in the hands of Chinese merchants.

The present boycott of Japanese goods by the Chinese is unusually effective because all classes of Chinese believe it to be justifiable and necessary. A continuance for any considerable length of time of the boycott cannot but result in further disastrous curtailment of Japanese manufacturing. Such further curtailment would increase social unrest and dissatisfaction in Japan to an extent that might even jeopardize

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jeopardize the present form of Government there.

Under these circumstances, if Japan were to do no more than maintain her present position in Manchuria, the result for her would be sure disaster. If Japan were to recede from her position in Manchuria China would become imbued with the idea that there exists an authority capable of preventing aggressive military action by Japan against China and there would result intolerably provocative and injurious actions directed against Japan by Chinese. Even if the League of Nations and other agencies capable of reflecting world opinion should be satisfied by the establishment of a nominally independent government in Manchuria, China would not be content with the loss of Manchuria and would certainly continue to exert against Japan economic pressure in the form of boycott, unless Japan could force her to discontinue the boycott.

Japan has left to her, therefore, only the course of increasing aggressiveness in China proper in the hope of bringing the question to a military solution with the least possible delay. As one western trained Chinese expressed it, Japan is clinging to a tiger's back and cannot loose her hold.

There is fear amongst well informed Chinese here that developments may ultimately force the abandonment of Nanking by the Chinese Government. If the Chinese Government were to attempt to function in some comparatively inaccessible place as, for example, Loyang (洛 陽), the Government would be unable to control

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

-16-

control enough revenue even to maintain the pretense of a National Government. The result would be many claimants for Chiang Kai-shek's position and a chaos which would furnish the rapidly growing communist forces in Central China opportunity to accomplish their aims.

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Lustigsm NARS, Date 12-18-75

DOCUMENT FILE

NOTE

SEE 8464.00 P. R./29 FOR Despatch # 205

FROM Singapore (Bower) DATED Oct. 31, 1931
TO NAME 1-1127 ***

REGARDING: Manchurian crisis. Reactions in Straits Settlements to, -. September 23rd widely observed by Singapore Chinese as day of national humiliation in connection with Manchurian invasion.

fp

793.94/3362

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

REACTIONS TO MANCHURIAN CRISIS.

The Japanese Consul General informs me that while anti-Japanese propaganda is quiet a most effective boycott exists and that practically all Japanese firms in Singapore report their business at a standstill. At least one Japanese merchant is selling up his business with the intention of removing to Manila or some other place less predominantly Chinese.

September 25, 1931, was widely observed by Singapore Chinese as a day of national humiliation in connection with the Manchurian invasion. Chinese flags were flown at half mast, and shops, schools and halls

owned

- 15 -

owned by Chinese were closed; there were no disturbances, however. The Singapore Chinese Chamber of Commerce has cabled to Nanking and Canton calling upon both parties to unite in national defence. A mass meeting was held at the Chinese Chamber of Commerce on September 24, 1931. Telegrams were sent to the signatories of the Kellogg Pact and others. The local Chinese press is advising its compatriots not to resort to violent action, and is urging the various Chinese clans represented in the community to come to more understanding terms with one another. Vernacular newspapers also cabled to the secretariat of the League of Nations.

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Department of State letter, August 10, 1972
By Milton O. Guiterson NARS, Date 12-18-75



PM RECD

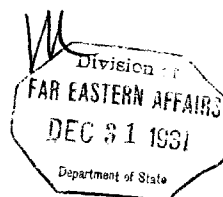
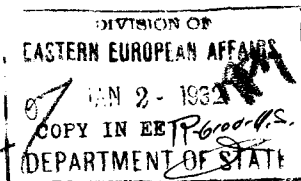


LEGATION OF THE
UNITED STATES OF AMERICA

Riga, Latvia.

December 18, 1931.

DEC 30 31



793.94

F/DEW

793.94/3363

No. 8335

FOR DISTRIBUTION - CHECK		Yes	No

The Honorable

The Secretary of State,
Washington.

Sir:

I have the honor to report that the opening of the
1-2/ United States Congress evoked similar editorial comment
in the Moscow IZVESTIA and PRAVDA. After dwelling
upon the economic crisis and "the hunger march of the
unemployed to Washington," they turn to Manchurian
affairs, the IZVESTIA asking where is now "the dictatorial
gesture" with which the Japanese were "expelled" from
Shantung,

FILED

-2-

Shantung, etc.; and the PRAVDA reasserting that the United States has been, and is, trying "to draw the U.S.S.R. into a war in the Far East," etc. A TASS 3/ telegram, dated Washington, December 10 cites "well-informed Washington circles" as asserting "that Japan intends to seize control over the whole of Manchuria, and that the United States will raise no objection to this."

Respectfully yours,

Felix Cole

Felix Cole,
Chargé d'Affaires a.i.

Enclosures:

- 1/ American Capitalism in a Blind Alley.
(Moscow IZVESTIA, No. 339, December 10,
1931, Page 1.)
- 2/ Hoover before the Congress.
(Moscow PRAVDA, No. 339, December 10,
1931, Page 1.)
- 3/ American Tactics.
(Moscow IZVESTIA, No. 341, December 12,
1931, Page 1.)

(In triplicate.)

Copy to E.I.C., Paris.

800 R

DEM/fk

Enclosure No. 1 to despatch No. 8335 of DEC 18 1931
from the Legation at Riga, Latvia.

SOURCE: Moscow IZVESTIA,
No. 339,
December 10, 1931,
Page 1.

AMERICAN CAPITALISM IN A BLIND ALLEY.

(Translation.)

The representatives of the American bourgeoisie sitting in the Congress of the United States, cannot now at the opening of the current session indulge in the usual eulogies of "prosperity," with which in the course of many years they used to influence the broad masses of the nation. The new session is opened at a time when upheavals are taking place of such dimensions as the American bourgeoisie has so far never encountered. The present economic crisis not only exceeds the crisis of the years 1921-1922, but it differs from the latter also by the complete absence of any better outlook for the American bourgeoisie. Notwithstanding the fact that once in a while one or the other representative of the business world or of the Government comes forward and "expresses the assurance" that the silver lining of the cloud can already be seen, and that new "prosperity" will soon set in, — the crisis in the United States has in reality not yet reached its culmination point. The bourgeois economists and politicians have at their disposal no means that they might suggest for snatching the

the

-2-

the United States from the throes of the crisis.

The Congress of the United States has only proved once more that the American bourgeoisie and the Government have no hope whatsoever to find a way out of the crisis -- not at least within the near future.

What means may Mr. Hoover have for saving the farmers who have been ruined by financial capitalism and by taxation? And as regards the workpeople, all promises of Mr. Hoover's that wages will not be lowered, have turned out to be soap bubbles. In his message to the Congress, he refutes these promises. The Government of American monopolistic capitalism declines to do something for the improvement of the situation of the labor classes. When it comes to giving assistance to the unemployed, Mr. Hoover turns out to be a staunch defender of the principle of individual responsibility: let everyone take care of himself. But he ceases to defend "individualism" as soon as it comes to aiding big capitalists in danger of bankruptcy. For their benefit Mr. Hoover will demand that a special discount bank, with a capital of a billion, be created, which is to be an insurance fund, as it were, for the sharks of the stock exchange. But by creating such an insurance fund, Mr. Hoover will not succeed in doing away with the crisis.

The hunger march of the unemployed to Washington, singing the "International," shows that the class conflicts of interest have become sharpened to an extent hitherto unprecedented in the United States. The attempts of the bourgeois press to represent this march

as

-3-

as the outcome of Soviet agitation is so ridiculous that it is not worth while to dwell on this subject. The ten or twelve millions of unemployed, and the growing distress among them — these are facts that none of the brigands of the pen can conceal. And this fact proves that the ground is shaking under the feet of the strongest bourgeois in the world.

Hoover's Government faces the representative organ of the American bourgeoisie as a bankrupt. This fact is clearly reflected in that change of international mutual relations, of which we have been witnesses during the past few months. When last summer Mr. Hoover came forward with his plan for the salvation of capitalism, not only the American, but also the European bourgeois press sang the praises of his perspicacity and his great initiative. Since that time only six months have passed. The Congress is now to approve the Hoover moratorium, but this moratorium now turns out to be mustard after the dinner. Mr. Hoover can suggest no other steps for the liquidation, or at least the reduction, of the reparations, for the United States itself finds itself in the maelstrom of the financial crisis. To a certain extent, France holds the key to the American safe full of gold, and Mr. Hoover cannot speak to France in the same tone as he did last summer. He had to grant to France for the time being freedom of action, freedom of exercising pressure upon Germany. Mr. Hoover was not even able to assure the priority of the commercial debts over the reparations,

-4-

reparations, although billions of American credits are "frozen" in Germany. Hoover is not even in a position to suggest to France the annulment of the inter-allied debts by way of compensation for France's waiving the reparations, since in view of the two billions deficit of the American budget, no government could undertake to tell to the masses of the nation: the American bourgeoisie has made billions on war supplies, which were paid from the state loans which the United States had granted to its allies; let the unemployed proletarian and the ruined farmer now add the debts of the Allies to the even now unbearable burden upon their shoulders.

The weakened condition of the American bourgeoisie as a result of the crisis was expressed also in the policy of the United States at the time of the Manchurian conflict. Where is the dictatorial gesture with which the American Secretary of State, Hughes, expelled the Japanese from Shantung at the Washington Conference, and annulled the 21 conditions that had been forced upon China by the Japanese imperialists? Where is that firmness with which he declared that he did not recognize any special interests of Japan's in China, that would entitle Japan to objecting to the participation of other Powers in the exploitation of China?

Yesterday's pretender to supremacy in the capitalist world, whose command was supreme yesterday, today writhes in the throes of the crisis. World history tells the bourgeoisie that capitalism throughout the world is declining.

js/fk

Enclosure No. 2 to despatch No. 8335 of DEC 18 1931
from the Legation at Riga, Latvia.

SOURCE: Moscow PRAVDA,
No. 339,
December 10, 1931,
Page 1.

HOOVER BEFORE THE CONGRESS.

(Translation of concluding passage of leading
editorial.)

.....

Now Hoover can report to the Congress that his famous memorandum about the reparations and debts has deprived the United States of income to the amount of 200 million dollars, while the agreement about discontinuing the recall of short-term credits from Germany has placed tremendous amounts of American capital in jeopardy. In addition to this, France demands preference in respect of the reparations payments, kindly suggesting to the United States that the latter take upon itself all the burden in connection with the reduction of German payments.

Hoover may report to the Congress that already in 25 countries there is a currency crisis, and that this has dealt a tremendous blow to the economic life of the United States. Already the English pound has depreciated 30 per cent. The depreciation of the pound intensifies England's competition in the world markets, and diminishes the exports of the United States into England, while the introduction of customs tariffs in England and other countries only
increases

-2-

increases the difficulties in that it raises the conflict of interests between imperialists to a higher level.

The United States kindles and stimulates the war in Manchuria, sharpening its own relations with Japan. This policy has also found its expression in Hoover's message. At the same time the "friendship" of the United States with China expresses itself in acts of stimulating and preparing the division of China.

The United States endeavors to intensify the Franco-German conflict of interests, endeavoring to utilize Germany, and more particularly German fascism, in its struggle against France for hegemony. However, the "friendship" of the United States for the German nation has so far made itself manifest in that, when the interests of the dollar required it, Hoover agreed to making the Young Plan the basis of the negotiations between Germany and France.

The United States kindles the Franco-Italian conflict of interests, in order to strengthen its own positions in the struggle against France. The United States sharpens the conflicts of interest within the British Empire — between England and the Dominions, prepares a customs war against England, and intensifies its struggle against British imperialism in all parts of the world.

The United States did try and does try to draw the U.S.S.R. into a war in the Far East, and it did try and does try to undermine Soviet exports, and to organize the more reactionary groups of the international bourgeoisie for active steps against socialistic development in the U.S.S.R.

Washington has become the most dangerous center where

war

-3-

war is kindled. The dollar magnates try to get out of the crisis by speculation on war.

The American Communist Party is busy organizing the broad masses of the American proletariat for struggle against capitalism, and against the preparations made for anti-Soviet intervention and for war. The process of emancipating the masses from the influence of the reformist trade unions has set in. The hunger march of the unemployed to Washington, which had the sympathies of the broadest masses, was one of the features of that process.

js/fk

Enclosure No. 23 to despatch No. 8335 of DEC 18 1931
from the Legation at Riga, Latvia.

SOURCE: Moscow IZVESTIA,
No. 341,
December 12, 1931.
Page 1.

AMERICAN TACTICS.

(Translation.)

Washington, December 10 (TASS.) Stimson's statement is highly characteristic of the entire policy of the United States. Well-informed official Washington circles assert that Japan intends to seize control over the whole of Manchuria, and that the United States will raise no objection to this. Senator Borah has said so in public. Military and political experts admit this in private conversation.

At present the United States stands up for the "integrity" of China only south of the Great Wall. The Department of State has evidently already recognized that the seizure of Chinchow by the Japanese is inevitable, and it concentrates its efforts on the task of preventing the seizure of Peiping. It should be noted that ever since the conflict originated, beginning September 18, the United States has never for a single moment opposed the Japanese intentions and aims in Manchuria. Stimson's notes "protested" only against the methods and the tactics of the Japanese generals. Dawes in Paris also supported the Japanese against the Chinese. The most powerful American financial circles also support the Japanese occupation.

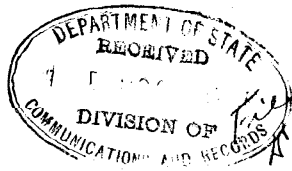
When

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When the Japanese began their military occupation of Manchuria, the American press was about to start a campaign against Japan, and demanded that Stimson should bring the Kellogg Pact and the nine-Power treaty into action. But the Department of State quieted the press without undue publicity. And soon after that, the press assumed a different attitude, and began to point out the difficulties experienced by the Japanese in the matter of protecting the large Japanese investments in Manchuria "against bandits." The press even demanded that the United States should observe neutrality. Further, the Department of State constantly and persistently stressed the alleged conflict between the Japanese Government and the military. Also the Japanese Ambassador in the United States, Debuchi, supported that version. At the same time, the Department of State advised the press not to hurt the feelings of the Japanese nationalists, etc.

The growth of Hoover's unpopularity, the approach of the elections, and a number of other factors of an internal-political character have compelled the American Government to maneuver all the time in such a way as to blur and camouflage the real line of policy which they pursue in the Manchurian conflict.

js/hs



72ND CONGRESS
1ST SESSION

S. RES. 87

F/DEW

IN THE SENATE OF THE UNITED STATES

DECEMBER 14, 1931

Mr. JOHNSON submitted the following resolution; which was referred to the
Committee on Foreign Relations

793.94/3364

RESOLUTION

1 *Resolved*, That the Secretary of State be, and he is
2 hereby, requested to transmit to the Senate the notes, corre-
3 spondence, and communications from the Government of
4 the United States to the Governments of China and Japan
5 or to the government of any other nation relating to the
6 present existing conditions in Manchuria, and the contro-
7 versy between China and Japan, which has resulted in
8 armed encounters in Manchuria; and particularly any mes-
9 sages, notes, or communications from the United States
10 Government to either the Governments of Japan or China
11 referring to the treaty entered into at the city of Wash-
12 ington on the 6th day of February, 1922, by the United

FILED

DEC 31 1931

1 States, Belgium, British Empire, China, France, Italy,
2 Japan, the Netherlands, and Portugal, known as the Nine-
3 Power Treaty, and referring to the treaty entered into by
4 Japan and China, the United States and other nations, and
5 commonly known as the Kellogg pact; and also the notes,
6 messages, letters, and communications sent or transmitted
7 by the Government of the United States to the League of
8 Nations or any individual or committee representing the
9 League of Nations relating to the said conditions in Man-
10 churia, and the said Chinese and Japanese controversy; or
11 sent or transmitted to any individual or individuals repre-
12 senting the Government of the United States in said matters
13 acting with or in conjunction with the League of Nations
14 or the Council of the League of Nations, or any individual
15 or committee representing the League of Nations or the
16 Council of the League of Nations.

TELEGRAM RECEIVED

7E
COPIES SENT TO
O.N.I. AND M.I.D.

REF

FROM

GRAY

Peiping via N. R.

Dated December 31, 1931

Rec'd 3:35 a. m.

Secretary of State,
Washington.

1161, December 31, 1 p. m.

Following from American Consul General at Mukden:

"December 30, 7 p. m. Headquarters report Tamon division
advanced to a point eight miles northwest of Panshan.

Japanese troops advancing down the Peiping-Mukden Railway
this afternoon reached a point one mile east of Kowpangtze
where they are held up by wrecked bridge, repair of which was
nearly completed at 6 p. m. today.

Six trains of additional troops left the city over the
Peiping-Mukden Railway this afternoon."

JOHNSON

JS
WSB

F/DEW

793.94/3365

FILED
JAN 5 - 1932

793.94
note
994.23

DEC 31 1931

Division of
FAR EASTERN AFFAIRS
DEC 31 1931
Department of State

MET

TELEGRAM RECEIVED

GRAY

Peiping via N.R.

Dated December 31, 1931

Rec'd 2:30 a.m.

Secretary of State,

Washington

1157, December 31, 9 a.m.

Following from Military Attache at Chinchow:

"December 30, 4 p.m.

Movement Chinese troops to rear continues as trains become available. Field artillery left today; Japanese air craft displayed great activity, bombarded Tahushan and Kaopangtz this morning, much damage to railroad and armored train reported. Chinese troops withdrawn from Tahushan last night. No news third cavalry brigade, believed retreating across country. Three air craft flew over Chinchow noon today, no bombs dropped. General Jung Chen returned from Peiping this afternoon, told Aldrich en route all Chinese troops would withdraw requiring one week, stated that Japanese would not advance which would indicate agreement for withdrawal has been arranged with the Japanese. Future plans observers to be determined after conferring General Jung".

Repeated to Tokyo.

HPD

JOHNSON

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O.N.I. AND M.I.D.

FE

F/DEW 793.94/3366

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193.94
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22 to
General

Division of
FAR EASTERN AFFAIRS
DEC 31 1931
Department of State

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

7E

TELEGRAM RECEIVED

COPIES SENT TO
O.N.I. AND M.I.D.

REF

FROM

GRAY

Peiping via N. R.

Dated December 31, 1931

Rec'd 5 a. m.

Secretary of State,
Washington.

1162, December 31, 2 p. m.

Following from Military Attache at Chinchow:

"December 30, 10 p. m.

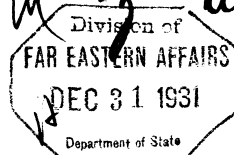
General Jung Chen returning with final instructions for withdrawal all regular troops inside Wall, states that one week would be required to complete movement. He added Provisional Government would remain at Chinchow but that it was not settled whether Japanese would control east of Liao or east of Ta Ling rivers. This question to be settled by diplomatic negotiation."

JOHNSON

JS

F/DEW

793.94/3367



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JAN 3 - 1932

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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

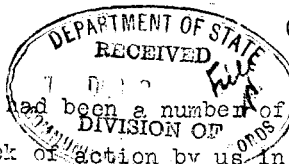
SINO-JAPANESE SITUATION

The Secretary said there had been a number of reports and rumors during the last week of action by us in regard to Manchuria, all of which he thought were unfounded. Independent of anything reported before, the Secretary read the following announcement:

"The American Ambassador in Tokyo was instructed on December 22 to express to the Japanese Foreign Office the concern which this Government entertains, in view

itary movement."

A correspondent observed that press despatches from Tokyo indicated that the French and British Ambassadors had taken a similar step. The Secretary, in reply, said he had heard that the French Ambassador was doing it, but that he had not heard, except through the press, of the British Ambassador's action.



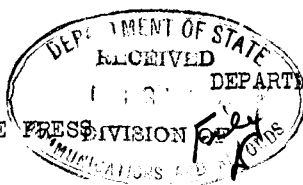
Press Conference

12/24/31

F/DEW 793.94/3368

FILED
DEC 31 1931

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Lustig NARS, Date 12-18-75



DEPARTMENT OF STATE

FOR THE PRESS DIVISION

DECEMBER 24, 1931

Sino-Japanese

The American Ambassador in Tokyo was instructed on December 22 to express to the Japanese Foreign Office the concern which this Government entertains, in view of recent reports apparently well-founded, to the effect that the Japanese army in Manchuria is contemplating movements in the direction of Chinchow which might lead to a renewal of armed hostilities with the regular Chinese military forces in and south of that city. He has been asked to call to the attention of the Japanese Government that the reports from the military observers of several nations in the Chinchow area, including the American military attache, are to the effect that they find no evidence that the Chinese military forces have engaged in or are preparing for any offensive military movement.

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DEC 21 1931

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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

DOCUMENT FILE

NOTE

SEE 841.00 P.R./210 FOR desp. #2463

FROM Great Britain (Atherton) DATED Dec. 14, 1931
TO NAME 1-1127 ***

REGARDING: Manchurian affair.

General Dawes proceeded to Paris to
collaborate with the Council of
the League of Nations in formulating
a peaceful settlement. Reports on -.

fc

793.94 / 3370

Under instructions from the Department, General Dawes proceeded to Paris to collaborate with the Council of the League of Nations in formulating a peaceful settlement of the dispute between China and Japan over the situation in Manchuria. He publicly stated that he was not instructed necessarily to sit with the Council, but that if the interests of the United States, as defined by treaties and understandings, became involved, he was authorized to concert measures with the Council. He did not, therefore, participate directly in the discussions of the Council, but through informal conversations with certain members of the Council, he was able at all times to make felt the influence of the United States toward the securing of an amicable settlement. The weight of American opinion was particularly evident when the Council had before it the proposal that it send a Commission to examine the entire body of relations between China and Japan, and when China was showing obvious signs of distaste, General Dawes stated in a public announcement that the United States had approved of the plan of settlement and had urged the disputants to accept it; and with this realization of the importance attached by the United States to a peaceful resolution of the dispute, the disputant parties declared their acceptance of

the/

the plan. The drafting of the resolution unfortunately was beset with many difficulties, such as the insistence of China upon fixing a date for the evacuation of Japanese troops and the refusal of Japan to suggest a neutral zone between the Japanese forces and the main body of Chinese troops at Chinchow. While these negotiations were under way, conversations were started without the authority of China at Tokyo by the French Ambassador regarding the withdrawal of both forces, and the resulting misunderstanding threatened at one time to make abortive the efforts at Paris. Nevertheless, with both sides making concessions, the resolution was unanimously adopted by the Council on the 10th.

The feeling of disappointment over the outcome generally felt throughout the press of this country was tempered by the realization that the League could set off against its undeniable loss of prestige certain valuable results. These were admirably summarized by Lord Grey in an address delivered on the 12th instant before the League of Nations Union. He pointed out that the League had prevented the dispute from spreading, and that neither China nor Japan had ventured to contest the right of the League to investigate the causes of the dispute and to mediate. Not the least important result, he thought, was the fact that the Kellogg Pact and the League Covenant had been found to be identical in purpose, and that this circumstance would allow the United States to take parallel action with the League.

TELEGRAM RECEIVED

MET

FROM

GRAY

Tientsin via N.R.

Dated December 31, 1931

Rec'd 5 a.m.

Secretary of State,

Washington

December 31, 2 p.m.

The following telegram has been sent to the Legation:

"December 31, 11 a.m.

Notwithstanding reports to the contrary, authoritative information is at hand indicating that a large number of Chinese troops and refugees have already been evacuated from Chinchow to Shihmen, Lwanhsien and Tangshan. These points are inside the Great Wall. Trains are returning to Chinchow for further movements of this kind according to information obtained from railway authorities. No troops or refugees have yet arrived Tientsin but all available information tends to confirm Chinchow is being gradually evacuated.

Repeated to the Department and Nanking. "

LOCKHART

KLP-WSB

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FAR EASTERN AFFAIRS

DEC 31 1931

Department of State

F/DEW

793.94/3371

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DEC 5 1931

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DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

1-138
PREPARING OFFICE
WILL INDICATE WHETHER

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OR

Charge to
\$

TELEGRAM SENT *Gray*

Department of State

TO BE TRANSMITTED
CONFIDENTIAL CODE
NONCONFIDENTIAL CODE
PLAIN

Washington,
1931 DEC-31- AM 3:52 December 31, 1931.

AMCONSUL

GENEVA (Switzerland).

148
CONFIDENTIAL FOR GILBERT

793.94/3371
One. Under date December 30, ³³⁵⁷ the American Legation at Peiping suggests that the decision of Chang Hsueh-liang to withdraw his troops from Chinchow was caused by the bitter hostility of Nanking toward Chang and by lack of support from Nanking and by inducements held out to Chang by the Japanese that such withdrawal of Chinese forces might make it possible for some of Chang's supporters to be given official position at Mukden; also, ^{advanced by the Japanese} the argument that the Japanese military were bound eventually to capture Chinchow and that the voluntary withdrawal of the Chinese would improve the prestige of the Japanese Foreign Office and put it in a better position to shape events to China's advantage.

Two. ~~Under date~~ ³³⁶⁵ December 30, the American Consul General at Mukden reports that Japanese troops advancing down the Peiping-Mukden Railway reached a point one mile

Enciphered by _____

east

Sent by operator _____ M., _____, 19____

Index Bu.—No. 50.

U. S. GOVERNMENT PRINTING OFFICE: 1928 1-138

793.94/3371

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DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

1-138
PREPARING OFFICE
WILL INDICATE WHETHER

Collect
Charge Department
OR

Charge to
\$

TELEGRAM SENT

Department of State

Washington,

1-138
TO BE TRANSMITTED
CONFIDENTIAL CODE
NONCONFIDENTIAL CODE
PLAIN

- 2 -

east of Kowpangtze.

Three. Under date December 30, ³³⁶⁷ Military Attaché Margetts reports from Chinchow that the movement of Chinese troops to the rear continues as trains become available; that General Jung Chen returned that afternoon from Peiping with final instructions for the withdrawal of all regular troops inside the Great Wall; that General Jung states that one week would be required to complete the movement and that Japanese would not advance which would indicate that an agreement for withdrawal has been arranged with the Japanese; and that General Jung states further that the Provisional Government would remain at Chinchow but that it was not settled whether the Japanese would control east of the Liao or east of the Taling Rivers, this question to be settled by diplomatic negotiation. ³³⁷¹

Four. Under date December 31, the American Consul General at Tientsin reports that according to authoritative information a large ^{number} ~~movement~~ of Chinese troops and refugees have already been evacuated from Chinchow to points inside the Great Wall. M.M.R.

Five.

Enciphered by

Sent by operator M.,, 19.....

1728

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

1-138
PREPARING OFFICE
WILL INDICATE WHETHER

Collect
Charge Department
on

Charge to
\$

TELEGRAM SENT

Department of State

Washington,

1-138

TO BE TRANSMITTED
CONFIDENTIAL CODE
NONCONFIDENTIAL CODE
PLAIN

- 3 -

Five. Inform Drummond, confidential as to source.

Six. ~~For the present~~ ^{Hereafter} the Department will send
you further information of this nature by mail unless
it is very important.

5144

Cann, Act. 1
5144

DEC 61, 1961 P.M.

mm

FE:MMH/VDM

FE

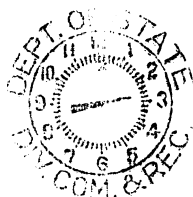
Enciphered by _____

Sent by operator _____ M., _____, 19____

Index Bu.—No. 50.

U. S. GOVERNMENT PRINTING OFFICE: 1959 1-138

AM RECD



DEC 31 31

CHINESE LEGATION
WASHINGTON



January 6, 1932.

793.94
The Chinese Minister presents his
compliments to the Secretary of State and
has the honor to enclose herewith a copy
of a telegram which has just been received,
for his information and consideration.

✓
Enclosure:

Copy of telegram
as above.

Chinese Legation,

Washington, December 31, 1931.

F/DEW

793.94/3372

FILED

JAN 8 1932

793.94

TELEGRAM RECEIVED FROM THE MINISTRY OF FOREIGN AFFAIRS, NANKING.
DATED NANKING, DECEMBER 31, 1931.

AIDE MEMOIRE

To the State Department of the United States Government.

In spite of the provisions contained in paragraph II of the resolution unanimously adopted by the Council of the League on December 10, 1931, with reference to Manchurian affairs requiring that the two parties undertake to adopt all measures necessary to avoid any further aggravation of the situation and refrain from any initiative which may lead to further fighting and loss of life, the Japanese Army on the pretext of suppressing bandits has now advanced westward of the Liao River and on December 24th occupied Tienchuantai. Again on December 28th and 29th they seized successively the Tawa Station and Walled City of Fanshan. The Japanese troops have repeatedly attacked and pressed upon the Chinese Army with an evident intention of capturing Chinchow.

Such actions on the part of Japan have not only encroached upon China's territorial sovereignty, thus, violating the principles of international law, the League Covenant, the Nine Power Treaty and the Kellogg Pact, but have utterly scorned the recent resolution of the League Council.

The declaration of the Japanese Foreign Office on December 27th explaining that the movement of Japanese troops toward west of the Liao River was for protecting themselves against local bandits encouraged by the Chinese Army at Chinchow is entirely contrary to fact.

My

- 2 -

The Chinese Government has received a report to the effect that Japan again despatched on December 27th a mixed brigade from Korea to Manchuria. The enlargement of the Japanese forces in Manchuria and similar actions have aggravated the situation and would lead to further fighting and loss of life. Japan should be held responsible for whatever consequences that may unfortunately happen as a result of China's necessary measures for self-defense.

Aside from a protest duly lodged with the Japanese Government the Chinese Government wishes to call the attention of the United States Government to the above-mentioned facts and hopes that the United States Government will immediately take effective measures to prevent the aggravation of the present serious situation.

Chinese Legation,

Washington, December 31, 1931.

7 3 2
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

The Secretary of State presents his compliments to the Appointed Chinese Minister and has the honor to acknowledge the receipt of the Minister's note dated December 31, 1931, with which was enclosed a copy of a telegram relating to the Manchuria situation, which had been received on that date from the Ministry of Foreign Affairs of the Chinese Government. The subject matter of the telegram is receiving the Department's attention.

793.94/3372

Department of State,

Washington, January 5, 1932.

793.94/3372

GR
JAN. 6. 1932. P.M.

FE:MMH:LM

1/4/32

FE



SRH

1073
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

DOCUMENT FILE

NOTE

SEE 894.00/336 FOR Despatch #2473

FROM Great Britain (Atherton) DATED Dec.18,1931.
TO --- NAME 1-1127 o.p.

REGARDING:

Manchurian situation - Crisis in Japan: Gives information as to the "direct connexion between the Manchurian Question and the recent change in Government. States Japanese Government was in actual possession of the military and that a coup would have followed an attempt by the civil authorities to restrain the military.
(Copy attached)

fpg

793.94/3373

QUADRUPLICATE.

LONDON, December 18, 1931.

No. 2473

The Honorable
The Secretary of State,
Washington, D.C.

Sir:

1/ I have the honor to enclose an editorial from
THE TIMES of December 14, commenting on the recent
change of government in Japan and the abandonment
by that country of the gold standard. The opinion
is expressed that although internal dissension existed
in the Government party, due to the desire of the Home
Minister to have a National Government formed with the
support of the Opposition, the resignation of Mr.
Adachi and the subsequent transfer of office to the
Seiyukai is attributed to Mr. Adachi's disagreement
with the policies of the Finance Minister in the late
Cabinet rather than to the Manchurian affair.

The/

WmC

- 2 -

The Department will undoubtedly have received full information from Tokyo with regard to the crisis in Japan, and it is not supposed, therefore, that this editorial will add much to the Department's knowledge. Indeed, the Embassy has sound reasons to believe that the change had in fact "a direct connexion with the Manchurian question." Apparently a censorship has been imposed in Japan upon the internal political situation, but the Embassy learns in the strictest confidence from members of the Japanese Embassies at London and Paris that their Government was in the actual possession of the military, and that a coup would have inevitably followed any attempt by the civil authorities to restrain the military even through an exercise of the Emperor's constitutional prerogatives.

At the same time it is evident from press reports here that Japan is facing grave financial difficulties. Since the embargo on the exportation of gold was lifted in January, 1930, she has lost approximately one-half of her gold holdings, and unless there had been an improvement in the economic situation throughout the world, and enjoyed a favorable trade balance, she would inevitably have been forced off the gold standard. This decision has apparently been only hastened by her troubles in China, as in addition to the decrease - which is reported in the press to be more than 60% as compared with last year - of her exports to China, the closing down of the Japanese-owned cotton mills in the Yangtse Valley and the difficulties under which Japanese nationals in China are laboring to operate their enterprises, have been

materially/

- 3 -

materially cutting down the asset side of her exchange ledger. It is not surprising in these circumstances that the nation has conscribed the services of Mr. Takahashi, who was Minister of Finance during the panic of 1920, and was largely instrumental in laying down the gold embargo on the previous occasion.

In this general connection it may be noted that the abandonment by Japan of the gold standard is far from being a matter of superficial interest to England. As the Embassy has pointed out in several of its weekly reports, there has been a marked revival of the English cotton spinning industry during the past few weeks. At a recent meeting at Manchester of the Federation of Master Cotton Spinners' Association, the chairman said that "under the stimulus of our own suspension of the gold standard, employment in the spinning section of the cotton trade improved by 50%." There have, of course, been larger orders from India, Burmah and Africa, but the revival has been due principally to orders from China; and it is apparent from the size of these orders that they are intended to supply the demand created by the boycott on Japanese goods. According to recent press despatches from China, the efficacy of the boycott is being challenged by the growing depletion of stocks. The Boycott Committee is beginning to permit the sale of Japanese goods, under conditions which are prohibitive of ordinary commercial transactions; nevertheless, the fact that Chinese merchants are permitted to deal in Japanese merchandise indicates that the demand for necessities, at least, is

becoming/

- 4 -

becoming acute.

The Japanese mills have been able consistently to underbid their British competitors in the Chinese market, except in the finest yarns and tissues, which, however, occupy only a small proportion of the total trade. Had Japan remained on the gold standard and continued to concede a handicap to the British mills of from 20 to 30% on exchange, it is not unlikely that the relatively high cost of Japanese produce, combined with the animosity engendered by the Manchurian affair, might well have prevented Japan from regaining her share of China's trade. The Chinese are, however, merchants par excellence; and with the pretext which now presents itself - that China is suffering from a lack of goods - the British mills have every reason to fear that the wiping out of the premium on Japanese exchange will make it difficult for them to consolidate the gains they have recently made in China.

In India, the Japanese gold embargo has, of course, placed the Japanese mills in the same position in which they were, in respect of competition with England, before England abandoned the gold standard. In British territory in Africa, which buys almost three times as much cotton cloth from Japan as it does from England, the chances of making inroads on the Japanese trade have virtually disappeared, at least under conditions which prevail to-day in the English cotton industry.

For some time past the British employers have been trying to persuade the cotton operatives to agree to a

modification/

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

- 5 -

modification of the arrangement made in 1919, when working hours were fixed at 48 hours per week and the scale of wages was raised. They have argued - and not without some show of reason - that the cotton industry cannot be revived under the keen competitive conditions created by the development of the Japanese cotton industry unless production costs are lowered. The mill owners decided a few days ago to abrogate the arrangement of 1919, and it is understood that the operatives have refused to negotiate for new terms or even to examine the figures put forward by the mill owners indicating the need of economies.

Lower wages and longer working hours give the Japanese mills a great advantage over their British competitors; but they have the additional advantage of being closer to India and China, which are at the same time the principal markets for the smaller counts of cotton yarn and coarser cloths and the chief producers of the raw cotton entering into the manufacture of the lower grades of cotton goods. This means, of course, that cotton products exported from Japan, which have been produced more economically in the first instance, bear lower interest and freight charges than British products. During the past few months, the Japanese have bought raw cotton very heavily in the United States and India. Whether or not these purchases were made in anticipation of abandoning the gold standard, the fact remains that they have an abnormally large stock of raw cotton bought when their currency was at par, whereas most of the raw cotton now in England was bought with depreciated currency. Thus, so long as the cotton bought on these

favorable/

- 6 -

favorable terms lasts, the Japanese should have on this score yet another substantial advantage over the British. It is, therefore, to point out the obvious to say that the employment disturbances towards which these negotiations are tending must gravely prejudice England's opportunity to retain her recent gains in Asiatic and African markets.

It is in the cotton trade that the full effect of Japanese competition is being felt, for the reason that the cotton industry is perhaps the most important in each country and cotton products form one of their principal items of export. However, the circumstances upon which I have touched apply with almost equal relevancy to their trade in other commodities. Last year, for example, Japan bought 11% of Australia's wool clip. Her woolen textile industry has been developed to the point that she is not only able to supply her domestic needs but is competing vigorously with England in India and in other countries where low prices are a greater consideration than good quality. It is in the cheaper markets where the competition between the two countries is the most lively; and if Japanese currency depreciates to as low a relative point as sterling, or even to a lower point than sterling (which is not unlikely), the effects cannot but be seriously felt in England.

Respectfully yours,

For the Ambassador:

Inclosure:

1. THE TIMES. Dec. 14.
CHANGE IN JAPAN.

Ray Atherton,
Counselor of Embassy.

PAPER

THE TIMES

NUMBER

CITY

LONDON

DATE

Dec. 14, 1931

Changes in Japan

Japan has a new Ministry and has abandoned the gold standard. These changes seem to have come suddenly and unexpectedly, but it is probable that outside Japan the shadows of their approach were obscured in the world's eyes by the dust of the Manchurian conflict. The causes of the fall of the Wakatsuki Ministry seem to have been financial and economic rather than political. It could count upon what appeared to be a safe majority over all the other parties in the Japanese Diet, but its internal cohesion had been shaken by disagreements between MR. ADACHI, the Home Minister, and his colleagues. Over three weeks ago MR. ADACHI, who controlled the Ministerialist Party machine, announced that he would support the formation of a National Government if the people desired one. But the Opposition did not respond to this overture, and MR. ADACHI's resignation from the Minseito Party now makes it clear that the great majority both of his colleagues and of his followers were opposed to the idea. Although at the time he seemed to advocate the formation of a National Government on account of the Manchurian crisis, the real cause of his action is believed by our Tokyo Correspondent to have been his disagreement with the financial policy of his colleague and rival, MR. INOUE. In January last year MR. INOUE abolished the embargo on the export of gold. His action was criticized by important Japanese bankers and industrialists, and of late these criticisms had become complaints. Large financial and commercial interests were reputed to have indulged in heavy speculation in dollars in anticipation of the fall of the yen. MR. INOUE's shipments of gold to America converted their hopes of profit into fears of heavy loss. Their attacks on MR. INOUE were supported by the industrialists, and particularly by the owners of textile factories, who complained that by tying Japanese currency to the dollar he had deprived them of their power to compete with Lancashire in the Middle Eastern and Far Eastern markets. The Conservative Opposition had opposed the free export of gold, and the fact that the first act of the Seiyukai Government was to prohibit it entirely confirms the belief that the recent Cabinet crisis had no direct connexion with the Manchurian question.

Important as is the abandonment of the gold standard by Japan it is possible, and indeed probable, that the new Government will in other respects follow MR. INOUE's policy of retrenchment. The ex-Minister of Finance has a large following; the Seiyukai are in a minority of eighty in the Diet; only seven members of the Minseito have followed MR. ADACHI into Opposition; and the present condition of the world's trade and finance sternly forbids extravagance. The appointment of MR. K. TAKAHASHI, an experienced banker, as Minister of Finance for the third time in his career appears to have been due to the desire of PRINCE SAIONJI, the last survivor of the Elder Statesmen of Japan and the trusted adviser of the EMPEROR, to maintain public confidence at home and abroad in the financial stability of the country. At the same time the impression that the change in financial policy, even if ultimately necessary, had to be expedited to save some great houses from the consequences of their imprudence will not dispose the Minseito Party to treat a minority Government with any special tenderness. MR. INUKAI's Cabinet is expected to survive the coming Session, since its opponents consider another General Election (the last was held less than two years ago) to be a luxury which the country can dispense with; but its future is admittedly precarious, and the "Five-Year Plan" which one of its ablest members has prepared may eventually furnish the Opposition with the opportunity of returning to power. That there will be any real change in the foreign and particularly in the Chinese policy of the new Government is improbable. There may be a difference of emphasis and touch, more especially if MR. YOSHIZAWA, who knows the views of the League Council, eventually becomes Foreign

Minister, but there is no likelihood of a breach in the national unity which was so clearly manifested throughout the recent crisis.

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

KLP

TELEGRAM RECEIVED

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O.N.I. AND M.I.D.

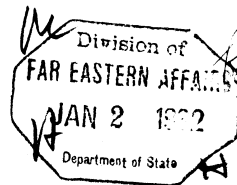
FROM

Peiping via N. R.

Dated January 1, 1932

Rec'd. 4:15 a.m.

Secretary of State,
Washington.



2, January 1, 11 a.m.

Following from Military Attache at Chinchow:

"December 31, noon. Chinchow railway station resembles beehive, every possible car being pressed into service and loaded with troops, animals, baggage, to last inch space. Engines in every state of repair utilized mostly in pairs due to the power of locomotives being insufficient. Withdrawal in full swing attended by much confusion. Difficult to say when will be accomplished. Reported occupation Kowpangtze Japanese December 30, 6 p.m. confirmed by troops who withdrew from there December 30, 11 p.m."

CSB

JOHNSON

F/DEV

793.94/3374

JAN 8 1932

174
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Lustigsm NARS, Date 12-18-75

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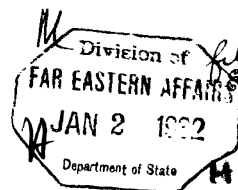
Helping via V. R.

FROM

Dated January 1, 1932.

Rec'd. 4:15 a.m.

Secretary of State,
Washington.



3, January 1, noon.

Following from American Consul General at Mukden:

"December 31, 8 p.m. Headquarters announced
officially junction of Japanese forces has been effected
at Kowpangtz.

It has been learned from a reliable source that
Japanese forces consisting of two brigades and five
regiments are expected to move towards Chinchow
tomorrow."

JOHNSON

CSB

F/DEW 793.94/3376

JAN 8 1932

FILED

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
 Department of State letter, August 10, 1972
 By Milton O. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

REP

FROM

GRAY

Peiping via N. R.

Dated January 2, 1932

Rec'd 11:05 a. m.

Secretary of State,
 Washington.

6, January 2, noon.

Following from American Consul General at Mukden:

"January 1, 6 p. m.

At 6 p. m. General Myake stated that he expects
 Japanese cavalry to enter Chinhhsien tonight."

Repeated to Tokyo.

JOHNSON

KLP

HPD

COPIES SENT TO
 O.N.I. AND M.I.D.



F/DEW

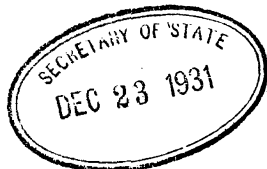
793.94/3376

JAN 8 1932

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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

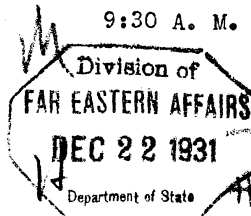
RADIOGRAM



December 22, 1931.

9:30 A. M.

From M. A. Tokyo
To The Adjutant General



CONFIDENTIAL

Number 205. December 22d.

Japanese headquarters Mukden announces drive has begun on
bandits west of Liao River adding that anyone who interferes
with this campaign will be removed. Japanese General Staff Tokyo
states: This force consisting of 2d Division and 39th Brigade,
former starting from south of Mukden, latter from north of Mukden;
this announcement is not an ultimatum, for if the Chinchow force
withdraws or does not resist, it will (Not) be molested.

This office will be surprised if this movement does not end
with all Liaoning Province in the possession of the Japanese Army.

McIlroy

F/DEW 793.94/3377

FILED

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E.O. 11652, Sec. 3(E) and 5(D) or (E)
OSD letter, May 3, 1972
By [signature] NARS Date 2/9/73

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

RADIOGRAM

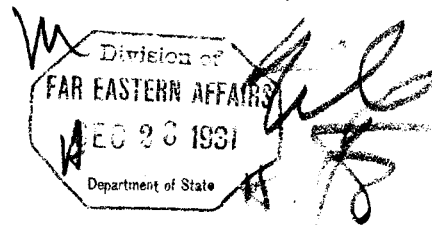
LMB

~~DET~~
FE (193)

December 26, 1931.

11:40 A.M.

From Tokio
To The Adjutant General



CONFIDENTIAL

Number 206

Dec. 26th

Japanese General Staff states movement against bandits progressing slowly; only troops west of Liao River one battalion at Tientai west of Newchwang, one battalion Hsinmin, one company Fukumen; Liao River still unfrozen is a serious obstacle.

McIlroy

F/DEW 793.94/3378

793.94 /

RECORDED
JUN 4 1932

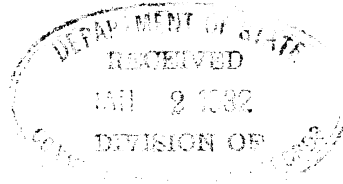
DECLASS.
E.O. 11652, Sec. 3(E) and 5(D) or (E)
OSD letter, May 3, 1972
By [signature] NARS Date 3/19/73

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

RADIOGRAM

BFS

4502 NPG



December 27, 1931.

11:00 A.M.

From Peiping, China,

To The Adjutant General.



CONFIDENTIAL

Number 314. December 26th.

Colonel Margetts returned for conference with Minister
December 24th. Will return to Chinchow December 27th.

Margetts.

F/DEW 793.94/3379

793.94

DECLASSIFIED
E.O. 11652, Sec. 3(E) and 5(D) or (E)
OSD letter, May 3, 1972
NARS Date 3/19/72

JUN 4 1932

RECEIVED

174
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

RADIOGRAM

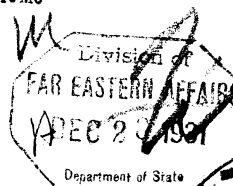
BFS

December 27, 1931.

11:00 A.M.

From Manila

To The Adjutant General



F/DEM

Manila Number 5271. December 27th.

Following radio from Commanding Officer, China Command,
dated December 26th repeated:

"Japanese reenforcements totaling 550 infantry and 50
horses arrived Tientsin 12:15 P.M. this date. 1150 additional in-
fantry with one battery of 4 light field pieces expected to arrive
here at 8 A.M. tomorrow. Otherwise situation Tientsin normal."

Hines

793.94/3380

793.94

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 10/15/82 BY 1043
EX-104

JUN 4 1932

FILED

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

DOCUMENT FILE

NOTE

SEE 861.77 Chinese Eastern/1018 FOR Tel. 64 10 am

FROM Latvia (Cole) DATED Dec. 29, 1931
TO NAME 1-1127 o.p.

REGARDING: Manchurian events.

Quotes statement by Molotov, published in PRAVDA of Dec. 25,
made at second session of Central Executive Committee
to effect that Russia does not need foreign territory,
and will not cede any Russian territory to foreign countries.

leb

793.94/3381

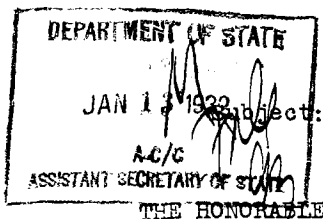
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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

AM RECD

No. 69.

AMERICAN CONSULATE GENERAL,

Hankow, China, December 3, 1931.



Subject: Editorial in Local Newspaper.

THE SECRETARY OF STATE,
WASHINGTON.

Sir:

I have the honor to attach to this despatch
a leading editorial appearing in the CENTRAL
CHINA POST (British), Hankow, issue of December
2, 1931, entitled "Shirt Sleeve Diplomacy."

The editorial is transmitted to the Department
as a typical example of the bitterly critical
attitude which the CENTRAL CHINA POST consistently
maintains in its comments upon the attitudes of
the American and British governments toward China.

Respectfully yours,

Walter A. Adams
Walter A. Adams,
American Consul General.

Enclosure:

Editorial Appearing in the CENTRAL CHINA
POST, Hankow, Issue of December 2, 1931,
Entitled "Shirt Sleeve Diplomacy."

In quintuplicate to the Department,
One copy to the Legation in Peiping,
One copy to the Consulate General in Nanking.

800

WAA/MYH

F/DEW

793.94/3382

FILED

JAN 16 1932

The Central-China Post

Wednesday, December 2, 1931

SHIRT SLEEVE DIPLOMACY

It seems rather a pity that the Japanese Government had given orders for the recall of Japanese troops to the railway zone before the alleged interview given by the United States Secretary of State, Mr. Stimson, because, while we do not for one moment imagine that anything Mr. Stimson might say would affect Japanese action in the least, it is highly probable that a large section of the United States population, and particularly Mr. Stimson, may have a contrary opinion. Japanese prior action has therefore robbed him of a good deal of the glory that might have been anticipated from his alleged denunciations. Whether the interview with press representatives and the statements credited to the gentleman in question have any foundation in fact has yet to be confirmed, but it will be generally conceded that such action is on a par with those of American politicians seeking the limelight by vociferous interference with the business of alien countries with which they have no real concern and with which, when it comes to a showdown, they shed responsibility quicker than a duck does water.

The League Council were probably of the opinion that it would be an advantage to have America on their side in

their dealings over the Manchurian imbroglio, but if one carefully considers all that America, through Mr. Stimson, has pledged herself to since the inauguration of the League Council, it will be difficult for the layman to estimate the value of American support. If one is left to judge by official telegrams received and concludes that there is no private arrangement between America and the League Council in which Mr. Stimson has pledged his country to a greater extent than appears in the reports, then the representative of the Great Republic seems to have confined his efforts to vigorously poking the fire instead of extinguishing it. Had his instructions been to have irritated Japan to the best of his ability, and such a course for the United States in unthinkable, they could not have been better carried out.

It is admittedly difficult for the representative of a Republic such as America to understand the feelings of national pride felt by a race such as the Japanese and their veneration of their Emperor who, to them, stands as a symbol of the law and order which forms such an outstanding feature of the country, and who has embodied within himself for centuries before America was thought of the spiritual force that has made Japan what it is today. He is the head of the army and to state publicly, as alleged, that that army has run amok could not be taken as other than a deliberate insult by the whole nation. Particularly when it is borne

-2-

in mind that they stand as one in their resentment of Chinese outrage and are uninfluenced by the dollar when their national feelings are insulted. For a Secretary of State to make such statements publicly, if the allegations are true, shows either ignorance unbecoming him for the high office he enjoys, or a deliberate design to irritate Japan to the fullest extent of which he is capable.

The very fact that Japan has withdrawn her troops the moment that Chinese troops commence to mutiny against their leaders, thus rendering impotent the talked of aggressive policy, substantiates her contention that she was acting in self defence and from necessity. That territorial acquisition was an object no one has seriously considered, and even though nothing further occurs Japan emerges from the fray both with China and the League, notwithstanding Mr. Stimson's assistance, with honour and dignity enhanced. The same certainly cannot be said for the League. They lost their heads from the outset and have all along floundered in depths of their own creation. That American participation in their deliberations made their thorny path no easier is obvious from the effects of every utterance the American representative has made on Japan.

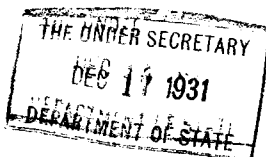
There is also another and just as serious side to the situation which is ably illustrated in the Reuter telegram. A Japanese Foreign Office spokesman describes the alleged conversations as a

virtual violation of the Fourth Clause of Article 1 of the Nine Power Treaty. If this should turn out to be the case, the United States Government will have every ground for dissatisfaction with its Secretary of State. Great Britain was just as unfortunate in her Minister Plenipotentiary and his alleged remarks to Japan's representative at Nanking. These remarks, however, while hotly and justly resented in Japan, conveyed no disrespect to the Japanese Emperor and were quickly and easily repudiated by the people of Great Britain. This may not be so easy for either the United States Government or the American people. In any event the unfortunate remarks of the British Minister were not given out for publication as is alleged to be the case with Mr. Stimson, nor were they a disparagement of Japan. They were tendered possibly as honest if ill-advised advice.

Both cases, however, well illustrate the fundamental difference between the races. One has retained its virility and dignity while the other two have sacrificed whatever they had in this direction for the sake of the hypothetical dollar they may receive at some future date. In the end both the latter will lose. No Asiatic race can respect any that have not sufficient virility to fight for their rights and ultimately it will be Japan that will earn and retain that friendship and respect which is the *sine qua non* of all trading relations covering any length of time.

DEPARTMENT OF STATE
DIVISION OF FAR EASTERN AFFAIRS

December 15, 1931.



MANCHURIA SITUATION

Chinchow Problem

DEC 29 1931

Both the news despatches and the telegrams from our own officers indicate that the Japanese intend soon to consummate the elimination of Chinese armed forces from the last remaining point held by those forces in South Manchuria, namely, Chinchow and the area between there and the Great Wall.

It is possible for the Japanese to attain this objective either (a) by inducing the Chinese, through a combination of political and military threats, to withdraw or (b) by battle. It may be assumed that the objective is one which they definitely intend to attain.

It is believed that the Japanese themselves would prefer that the matter be settled by actual combat -- as a final and conclusive military action by their army in Manchuria would demonstrate both to their own people and to the Chinese the superior efficiency of the Japanese armed forces and would, from their point of view, give them moral and political advantages locally. As they see it, the advantages thus to be gained would outweigh the disadvantage of the bad effect which their action in that connection

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- 2 -

connection would have as regards public opinion in foreign countries.

Faced with the probability that there will be an armed encounter at Chinchow in consequence of which the Japanese will drive the Chinese south of the Wall, the principal foreign governments, including the American Government and those represented on the Council of the League, must seriously consider what action, if any, it may be incumbent upon them to take either (a) by way of preventing this clash or (b) after and in consequence of such a clash.

The Peiping Legation this morning reports that Colonel McIlroy "is of the opinion that nothing short of very considerable pressure will restrain the Japanese military from this action." Query: Are the powers disposed to bring to bear such pressure?

So far as the American Government is concerned, it is a matter of record that we have exerted ourselves considerably toward persuading the Japanese that such action on their part would be ill-advised and would be thoroughly disapproved abroad. We have given thought to possible courses of action in the event that our views and advice in that connection are disregarded. The step which we have had most seriously in contemplation is that of issuing a statement clearly expressive of our complete disapproval. With the Japanese attack apparently imminent, and in connection with the question of possible further action toward dissuading the Japa-

nese

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
 Department of State letter, August 10, 1972
 By Milton O. Gustafson NARS, Date 12-18-75

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nese from making that attack, it would seem that there is one further step which we might take: we might inform the Japanese, either through their Ambassador here or through our Ambassador in Tokyo, that, continuing of the opinion that the Japanese attack at Chinchow would be unwarranted and indefensible, we will feel ourselves, in the event of such attack, under the necessity of publicly expressing our disapproval of Japan's course. This would be the invoking of a threat which we would be prepared to back up, if necessary, with the use of a strong moral weapon.

In case it should be decided on our part that we will make this effort, it is believed that we should at the same time suggest to other governments that they take similar and simultaneous action. Concurrence on their part would add to the force of the threat which we would make. Refusal on their part to concur would give us an indication of their attitude with regard to the situation and problem presented.

In giving consideration to the possible course of action outlined above, consideration should be given to the changes which are taking place in the situation at Tokyo and the situation at Nanking. The elimination of Baron Shidehara from the Foreign Office at Tokyo removes the foremost champion in Japanese official circles of the policy of moderation. The elimination of Chiang Kai-shek from the position of chief executive at Nanking removes

the

- 4 -

the strongest political and military figure there, and, coupled with the elimination of T. V. Soong and Wellington Koo, removes the most effective champions of a policy of common sense in the administration there. At the same time, it is conceivable that the upset in the Nanking Government may make it possible for the Chinese leaders in the north to devise a face-saving explanation under cover of which Chang Hsueh-liang might find himself able to withdraw his troops from Chinchow.

It is believed that, to be of use, a decision, for or against, with regard to making further representations toward preventing a clash at Chinchow should be arrived at in the very near future. If the decision is in the affirmative, and if it includes a decision to invite similar action by other powers, there will be necessary the preparing and despatching of telegrams and the preparing of a statement to be made either here or in Tokyo to the Japanese. The time factor is of importance.

Attention has been called to facts and possibilities outlined above for the purpose of ensuring their consideration. With regard to action, it is the view of FE that there is more to be said against than to be said for further action by the American Government, on our own initiative, in the nature of an endeavor to prevent an attack by the Japanese on Chinchow. It is the estimate of FE that if we should initiate such action we would not receive the support

of

- 5 -

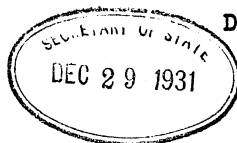
of other powers; and that, with or without the support of other powers, the effort would not be successful. We believe that, unless the Chinese withdraw, the Japanese will put them out -- regardless of expression of views by the American and/or other Governments. Our own score as regards antecedent remonstrances is already adequate. An addition thereto would serve only to add to Japan's resentment of our attempt to interfere. The one unquestionable advantage which might accrue through adding another to our already lodged remonstrances would be that in this instance we might give notice that it is our intention, in case the remonstrances are disregarded, to publish our formal criticism of the course which Japan has pursued. The advisability, however, of committing ourselves in that connection needs to be given serious consideration.

It is our view that further action with regard to Chin-chow, if taken, either before or after a Japanese attack, should be taken only by the powers collectively and might best be left to the initiative, real or apparent, of the Council of the League.

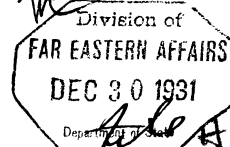
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DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-13-75

DEPARTMENT OF STATE
THE UNDERSECRETARY



December 17, 1931.



F/DEW

793.94/3384

Mr. Secretary:

Hornbeck's memorandum of December 16, succeeding the one attached, seems to me very convincing.

I feel that now is emphatically not the time to make further representations. The change of government in both Japan and China may give us a totally different picture, and the press announcement this morning of the resignation of Chang Hsueh Liang may make the Japanese feel that Chinchow is no longer important.

WRC
W. R. Castle, Jr.

U WRC/AB

REP

TELEGRAM RECEIVED

GRAY

COPIES SENT TO
O.N.I. AND M.I.D.

Peiping via N. R.

FROM

Dated January 2, 1932

Rec'd 10:15 a. m.

Secretary of State,
Washington.

7, January 2, 9 p. m.

Following from American Consul General at Mukden:

"January 2, noon."

On December 31st Chinese Chamber of Commerce, under Japanese pressure, secured chops of Chinese shops Mukden for attachment to a petition for presentation to Commerce on possibilities Japanese troops drive Chinese forces out of Manchuria and suppress bandits. Yesterday a Chinese parade in which (#) and shop was perforce represented was held as a demonstration in support of the above objects, the governor's office, Japanese General and military headquarters being visited."

"January 2, 1 p. m."

Detention of Aldridge by Japanese at Kowpangtze was brought to my attention this morning. In reply to inquiries at Japanese Consulate I have been informed that instructions were issued by headquarters last night for

his

F/DEW

793.94/3385

FILED

JAN 13 1932

REP

2- #7, from Peiping, Jan. 2, 9 p.m.

his release. He will return via Yingkow or Mukden and Dairen."

"January 2, 6 p. m.

Telegram No. twenty. Following from NEW YORK TRIBUNE correspondent who returned last night from Kowpangtze on the afternoon of 30th. Shortly before the arrival of the north passenger train four Japanese air craft dropped eight bombs on the railway south of Kowpangtze Station destroying tracks, and a little later dropped eight bombs around station killing six Chinese. Southbound passenger train arrived shortly after destruction of railway; Chinese railway officials fled but after departure of aircraft British technical expert Cawley collected workmen and repaired railway. Between 10:30 p. m. and the next morning six Chinese troop trains left Kowpangtze. Japanese cavalry under Tamon entered Kowpangtze at 1 p. m., 31st."

JOHNSON

KLP

HPD

(*) Apparent omission

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

GRAY

COPIES SENT TO
O.N.I. AND M.I.D.

MET

FROM

Peiping via N.R.

Dated January 3, 1932

Rec'd 2:30 a.m.

Secretary of State,

Washington

9, January 3, noon.

Following from military attache who returned Peiping

last night:

"December 31st. Withdrawal movement Chinese troops from Chinchow continued all day. December 31, 7 p.m. General Jung Chen sent word requesting foreign observers leave Chinchow morning of January 1st.

Sent Aldrich to Taling River to observe and report if bridge over river was destroyed, he arrived at 5:30 p.m., December 31, found bridge and railway intact continued on to Kowpangtza arrived without incident 11 p.m., Japanese troops in occupation. Taken to headquarters second division after identification was permitted to return Chinchow, arrived January 1, 8 a.m.. Last Chinese troop train pulled out of Chinchow January 1, 11 a.m. followed foreign observers.

No regular troop nor Provincial Government remained Chinchow.

F/DEW

793.94/3386

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JAN 18 1932

Division of
FAR EASTERN AFFAIRS

JAN 4 1932

Department of State

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Department of State letter, August 10, 1972
By Milton O. Huston NARS, Date 12-18-75

MET

2-#9 from Peiping via N.R.,
January 3, 1932

Chinchow. The mayor with local police alone remaining.

Japanese aeroplanes flew over Chinchow, intervals one and two hours daily during entire period evacuation, no bombs dropped. No indication approach Japanese troops up to the time of departure foreign observers.

Due to the lack of rolling stock, units 20th brigade marched over land to stations on Peiping-Mukden Railway south of Chinchow where they were entrained January 1st and 2nd. All Chinese regular troops evacuated Manchuria before dark January 2. No stop Chinese troop train at Shanhaikwan fear of trouble with Japanese troops located there.

Although withdrawal movement attended with much confusion some order was brought out of chaos and movement completed without fighting or accident. Observers arrived Peiping January 2, 11 p.m.

Repeat War Department".

JOHNSON

WWC

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 Department of State letter, August 10, 1972
 By Milton O. Gustafson NARS, Date 12-18-75

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 PREPARING OFFICE
 WILL INDICATE WHETHER

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TELEGRAM SENT

Department of State

1-138

TO BE TRANSMITTED
 CONFIDENTIAL CODE
 NONCONFIDENTIAL CODE
 PLAIN

1932 JAN - 4 - PM 2:24 Washington,

January 4, 1932.

DEPARTMENT OF STATE
 DIVISION OF
 COMMUNICATIONS & RECORDS

AMLEGATION,

PEIPING (China).

Your 7, January 2, 9 p. m., and 9, January 3, noon.

Please telegraph immediately more detailed account of

what happened to Aldrich, stating particularly whether he
 was ^{actually} arrested and detained, with circumstances, how long
 held, what amends Japanese authorities offered, etc.. Would
 you recommend any action by Department?

793.94/3386

FE: SKH: REK

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Enciphered by

Sent by operator M., 19.....

Index Bu.—No. 80.

U. S. GOVERNMENT PRINTING OFFICE: 1928 1-138

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

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TELEGRAM RECEIVED

COPIES SENT TO
O.N.I. AND M.I.D.

MET FROM GRAY

Peiping via N.R.
Dated January 4, 1932

Rec'd 4 a.m. *Just to Hansen*

Secretary of State,
Washington

Division of
FAR EASTERN AFFAIRS
JAN 4 1932
Department of State

10, January 4, 1 p.m.

Following from American Consul General at Mukden:

"January 3, noon. Headquarters has announced that

Chinhhsien was occupied at 4:40 this morning by Muro
brigade".

Repeated to Tokyo.

JOHNSON

CIB

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793.94/3387

FILED
JAN 15 1932

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DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

COPIES SENT TO
O.N.I. AND M.I.D.

MET

PLAIN

FROM

Peiping via N.R.

Dated January 4, 1932

Rec'd 8:05 a.m.

Secretary of State,

Washington

12, January 4, 3 p.m.

Following from Reuter, Tokyo, January second:

"Press despatches state that General Honjo has decided that the Japanese shall take over the policing of Chinchow and the surrounding districts as the Chinese officials hitherto responsible for the maintenance of peace and order have withdrawn to the west with the Chinese garrison.

It has also been decided that General Muro's division from Korea shall be responsible for guarding the railway lines between Chinchow and Shanhaskuan, General Tamon's division the line from Chinchow to Koupangtze and General Murai's brigade the line from Koupangtze to Mukden".

JOHNSON

HPD

F/DEW

793.94/3388

JAN 4 1932

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Lustig NARS, Date 12-18-75

No. 5.

AMERICAN CONSULATE,

Amoy, China, November 30, 1931.

Subject: Sherwood Eddy, Speeches of, Regarding
Japanese in Manchuria.

DEPARTMENT OF STATE
The Honorable
JAN 13 1932
Nelson Trusler Johnson,
A.C.C.
ASSISTANT SECRETARY OF STATE
Peiping, China.

W. H. P. in F.
DEPT. OF STATE
FAR EASTERN AFFAIRS
JAN 4 1932
Department of State
File

Sir:

I have the honor to report that on November 14th last, at noon, Saturday, the Japanese Consul called and informed me that an American by the name of Dr. Sherwood Eddy was expected to arrive in Amoy on Monday by a steamer from Foochow and that he had been delivering inflammatory anti-Japanese speeches at Chinese ports. This was the first intimation I had received of Mr. Eddy's intended arrival at Amoy.

I offered to inform Rear Admiral K. K. Lin, Defense Commissioner for Chang Chow and Amoy and the leading Chinese official in this district, that - in my opinion - speeches of such inflammatory character as Mr. Eddy was reputed to be making were inadvisable, especially at this time, with the idea that this information might be of assistance to Admiral Lin. Enclosed is a copy of my letter to Admiral Lin on this matter. (Enclosure No. 1).

Monday morning Mr. Sherwood Eddy arrived and that afternoon he called upon me and assured me that his speeches at Amoy would not be of an inflammatory nature. I am enclosing

F/DEW 793.94/3389

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JAN 23 1932

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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

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enclosing, as of possible interest, a translation from the Chinese newspaper version of one of Eddy's speeches given in the Y.M.C.A. at Amoy. (Enclosure No. 2).

I have gathered that Mr. Eddy tried to be very careful as to what he said in his speeches while at Amoy. I do not believe his speeches at Amoy have had any particular effect one way or the other in this community.

Respectfully yours,

Lynn W. Franklin,
American Consul.

Enclosures:

1. Copy of letter to Admiral Lin.
2. Copy of translation of Mr. Eddy's speech.

Transmitted in duplicate.

Five copies to Department of State (one copy marked "For the Commercial Office").

Copy to American Consulate General, Nanking.

800
LWF/O

A true copy of
the signed original.
M. O. G.

1768

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

Enclosure No. 1 to despatch No. 5 of Lynn W. Franklin,
American Consul at Amoy, China, dated November 30, 1931,
on the subject "Sherwood Eddy, Speeches of, regarding
Japanese in Manchuria".

Copy

American Consulate,
Amoy, China, November 14, 1931.

PERSONAL

Rear Admiral K. K. Lin,
Defense Commissioner for Changchow and Amoy,
Amoy, China.

My dear Admiral Lin:

I have the honor to report that I have been informed that an American by the name of Dr. Eddy is expected to arrive at Amoy on a steamer from Foochow Monday and that he has been delivering anti-Japanese speeches at Chinese ports.

As of possible interest in connection with the possibility of such speeches being delivered at Amoy, I take this opportunity to state that, in my opinion, speeches of such inflammatory character are inadvisable, especially at this time.

Sincerely yours, -

(Sgd.) Lynn W. Franklin,
Lynn W. Franklin.

100

Enclosure No. 2 to despatch No. 5 of Lynn W. Franklin,
American Consul at Amoy, China, dated November 30, 1931,
on the subject "Sherwood Eddy, Speeches of, regarding
Japanese in Manchuria".

Translation of the Chinese translation by Interpreter
Hu of Dr. Eddy's speech given at the Y.M.C.A. in
Amoy as published in the Kiang Sing Daily News,
November 17, 1931.

Chairman, Gentlemen, and Students:-

The world is changing every day nowadays. If China wants to make the change, it rests with her leaders and students. When I was in India, I met Gandhi, in Nanking, Chiang Kai Shek, in Peiping, Chang Hsueh Liang. I also met the Commissioners of Education in the different provinces. At all occasions, we chatted, exchanged views and talked about politics. We were very frank. I am especially intimate with the students, because wherever I go I give a speech. The world is now sliding forward like an aeroplane is sliding. The same case obtains in China. Old customs are passing away and new customs are developing. When the Imperialists are stretching their power, China is more in disorder. I am an American, but I like to see the Philippines becoming independent. At the same time, I like specially to see China free of all unequal treaties and enjoy equality.

I am an eye-witness of the Mukden affair. The violence done and the unlawful occupation of territory were premeditated. When they broke out, great cannons, machine guns and rifles roared all the nights through. Heavens and earth were shaken. China was very patient and she offered no resistance whatever. I dare say that the occupation of the north-east had been planned for a long time and not a sudden affair.

When the trouble had taken place, I left Mukden being compelled to by circumstances, and went to Korea. When in Korea, I met prominent Koreans. They told me that in the old days, Japan took Korea in three steps, (1) she compelled the Koreans to forsake China and declared independence, (2) after the declaration of independence, submitted the country to the Japanese protection, and (3) when all the powers were in their hands, they declared complete occupation of the country. This time in dealing with the north-east, Japan has used the same method which she used to steal Korea. This was told me by prominent Koreans, and I found it really so in the papers. Kirin and Mukden were instigated and compelled to declare independence. Under such circumstances, the Manchurian occupation had gone the same process.

When I was in Liao-ning, the Chinese leaders there swore and said to me that within ten days, Japan would use force to take the north-east. This statement has been proved correct now. This shows that the act had been premeditated and that no resistance had been offered by the Chinese.

When

- 2 -

When I returned to Tientsin, the Chinese friends there came to see me and asked me in what way China could be saved. I told them that as the League of Nations was calling meetings and the anti-war agreement had been engraved in books, if there is really a justice, Japan would certainly not be able to get what she wanted.

I am a free citizen of a free country. I always observe justice and conform to righteousness. I fear no body. I have never entered into alliance with any body and sought to please any one. I have been working for the public for many years. I have never taken a cent of any body. I believe myself and I think the public believes me so.

I am not sent here by the American Government, but my friends in China invited me to come. I have no official duty. I am at liberty to say what I like. I believe right may overcome might. Whoever is right I will be with him, and I will denounce him who is wrong. I will not remain neutral. When the trouble had taken place in Mukden, I took liberty as a free man to report the matter to the world and appealed to the public sense of justice. I willingly sacrificed \$4,000 in telegrams. I reported what I had seen personally in Mukden to the League of Nations, to the Chinese representative Dr. Alfred Sze, to the Chairman Mr. Briand and the diplomatic people in Great Britain and the United States, etc. and Mr. Stimson, the Secretary of State of the United States. I also sent telegrams to all the prominent people in Washington and New York. I testified to them that the Japanese occupation of the North-east this time is premeditated and there is no provocation on the part of the Chinese.

During this time of flood and banditry in the various provinces in China, Japan committed the great crime in the world and occupied the North-east. It is like plundering during a fire. Such a cruel and mean action is condemned all over the world. Let us now see what will be the outcome of the League of Nations and the anti-war Agreements. If the League and the Agreements are of any use, there then will be a solution of the question. Otherwise, I am afraid the question will not only concern China and Japan. It is a problem which confronts the entire world and China especially. Manchuria is as large as the entire country of Great Britain. What a pity it is to see it being captured by Japan!

In the middle of China and along the banks of the Yangtze river, great damage had been done by the flood and sufferers are everywhere to be seen. Means of living have been exhausted in over ten provinces. What a great pity it is! In the Southern China, bandits and communists are very active. During this time of heavenly calamities and man-made disasters, China is in a critical condition as a pile of eggs. How can you save her now? I am an American.

Besides

- 3 -

Besides my country, I like China best. When China is perished, I have lost an arm. I therefore want to protect China. I do not care for my life and property, if I can save China. Forty years ago, when I was a student in America, I made up my mind to offer my life to the world. Later, I liked China best. I changed my mind and devoted myself to her.

I like China. I especially like Dr. Sun Yat Sen. Once, I asked Dr. Sun, what is the secret to success? "Only sincerity" was his reply. You people should remember that to combat with Japan and save your country, you have not done the job by simply talking and posting bills. You should sincerely be united. Let your slogans be in your mind and not on your walls and your lips. This is my sincere advice.

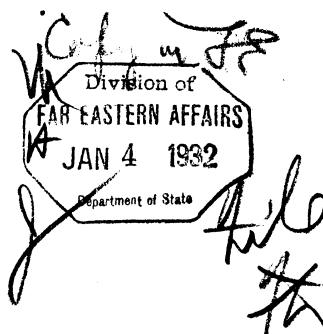


LEGATION OF THE
UNITED STATES OF AMERICA

Peiping, December 11, 1931.

No. 1317

1932 232



F/DEW 793.94/3390

FILED

JAN 4 1932

The Honorable

The Secretary of State,
Washington.

Sir:

In continuation of the Legation's despatch
No. 1281 of November 27, 1931, I have the honor
1/4 to transmit herewith four additional editorials
which appeared in the LEADER of Peiping during
the past two weeks dealing with the Manchurian
situation.

Further editorials and news items on events
in Manchuria will be found in the press clippings
going forward in to-day's pouch.

Respectfully yours,

For the Minister:

Mahlon F. Perkins
Mahlon F. Perkins,
Counselor of Legation.

Enclosures:

1/4: Editorials as stated
dated November 24,
26, 28, and Decem-
ber 6th.

800.
RLB/js.

THE LEADER, Tuesday November 24 1937.

THE SHOWDOWN

1317

It appears that the report sent out by *Reuter* from Paris November 20, that "the Council of the League of Nations has decided that the proposal to send a commission to Manchuria has afforded a suitable solution of the present crisis," is utterly false. We referred in these columns on Sunday to this, characterizing the reported decision as a fatuous and puerile thing, as obviously the mere sending of a commission cannot possibly constitute a solution to the military seizure of the enormous territory of Manchuria, with all the acts of terror and violence and plunder which have accompanied this. We had our suspicions at the time we printed this report, but *Reuter* is generally reliable upon things which do not immediately involve Britain, so we assumed it to be approximately, if not literally, correct.

Subsequent reports show that it was false. Discussions are going on day after day, and the tone of them shows that the members of the League Council recognize that they have a most serious problem on their hands which has by no means been solved by the mere deciding upon of a commission of inquiry. We regret that we permitted our readers to be misled by this false report from *Reuter*, but we must believe someone, and all we can do is to select the reports which are generally most reliable, and if—as in this case—they let us down seriously, to put in a correction as soon as we are aware of the error.

At the public sitting of the Council on November 21 Briand pointed out that the resolution of the Council dated September 30 retained its force. First and foremost in this resolution was the provision for Japan's withdrawal of her troops into the railway zone as rapidly as possible, in proportion as the safety of the lives and property of Japanese nationals were effectively assured. (This process was to have been completed by the middle of October.)

Now Briand states flatly not only that this resolution for the withdrawal of troops retains force, but that the Council must seek appropriate means of realizing the provisions of it as soon as possible. (So much for the canard that the League considered that a commission of inquiry solved the problem.) The Council is now considering how to compel compliance with its resolution. The Covenant of the League, indeed, provides for measures, and in no uncertain terms. Is the Council going to adopt them or not? The question is at last clear and definite.

Dr. Sze, it appears from *United Press* reports, is now coming out—better late than never!—with the declaration that no specious plan will be accepted by the Chinese Government, but that hostilities in Manchuria must cease and the Japanese troops evacuated. Articles XV and XVI must be applied to force Japan to submit. China will not be put off with any other device.

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It appears that at the same time as *Reuter* was sending out its remarkable invention about a solution having been found, a proposal was actually being made by Briand that the United States join with the League members in joint action to compel compliance with its decisions. It was a statement by Senator Borah at Washington which first made this known to us here. The League is clearly considering drastic action. And it is powerful enough to take action itself, if it really desires to do so, without the assistance of Washington.

Will the League actually take action? This will soon be made clear. Action is called for, and if the League will not take determined action now it means that it is on the side of Japanese militarism.

F. G.

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THE LEADER, Thursday, November 26, 1931

WAR, OR LEAGUE ACTION?

Japan is now preparing to take Chinchow, and probably North China as well. There is no other possible interpretation of the present movements along the Peiping-Mukden line, and of the statement issued from Tokyo on Tuesday that "very grave developments are foreshadowed unless the Chinese troops at Chinchow are withdrawn south of the Great Wall. . . . If a clash occurs and the Chinese forces are defeated Japanese troops may have to be rushed to North China to prevent the retreating soldiers from overwhelming the Japanese detachment at Shanhaikuan."

This is clearly the prelude to an ultimatum. The language is plain enough. Rapacious Japan insists upon the withdrawal of all Chinese troops at Chinchow so that the territory between Mukden and Shanhaikuan may be left to the Japanese hordes and Chinese renegades who are willing to act as the puppets of the Land of the Rising Sun. If Chinese troops do not evacuate the newly established capital of Liaoning, it is quite plain that the powerfully equipped Japanese forces will attack Chinchow. Some weeks ago Japanese airplanes dropped 36 bombs on the defenseless city of Chinchow as a warning, but this time they are determined to drive out the last center of proper Chinese authority outside of Shanhaikuan, and will attack in sufficient force to make victory certain. And at the same time they will send Japanese troops to other parts of North China "to protect the Japanese detachment at Shanhaikuan."

Plainly, this excuse of the existence of Chinese troops at Shanhaikuan being a menace is purely a pretext for launching an offensive along the Peiping-Mukden Railway, now that Tsitsihar and territory north of the Chinese Eastern Railway is in Japanese hands. Tsitsihar was occupied in order to have the right to rebuild the Nonni River bridge, Chinchow was bombed only a few weeks ago as a measure of "self-defence," and now the Japanese are planning to take this city because of "the menace of Chinese troops there."

There can be no question about Japan's aim now. It is the conquest of China. Japan's argument against the Chinese troops at Chinchow is that they "constitute a serious threat" to the territory the Japanese have already seized. It is clear that this argument is endless. If Chinchow and Shanhaikuan are occupied, the presence of Chinese troops at Tientsin and Peiping will "constitute a serious threat" to Chinchow and Shanhaikuan. When this territory here is occupied the presence of Chinese troops in Shantung will "constitute a serious threat" to Peiping and Tientsin. And so on until the whole of China is occupied.

What can China do to prevent the whole of China from becoming a vassal of the Japanese Empire? By adopting the policy of non-resistance from the very beginning of the Japanese invasion China has done her part to uphold the Kellogg Pact and the Covenant of the League for the maintenance of international peace, but in so doing she has lost three huge provinces, and is faced with the prospect of losing still more territory if she continues to remain passive in the face of further Japanese aggressions. The Chinese people are now convinced that only by putting up a firm resistance against further inroads upon Chinese

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territory will the League and the signatories of the Kellogg Pact officially realize that fighting is going on.

Japan is more powerful than China in a military way, but she is not invulnerable. If picked Chinese forces, well-equipped, are rushed to Chinchow, they can make the Japanese pay dear for every foot of territory they take. There is a report that Chang Fa-kwei's "Iron Army" is to be sent up here. With such troops combined with the Fengtien and Nanking armies, Japan's self-appointed task would not be such an easy one.

The League is dealing at last with the problem of evacuation of Japanese troops from Manchuria, and Japan's flat refusal complicates the situation. But here is a thing far more urgent, the prevention of further occupation. The League must be given to understand that any further attempts at occupation by the Japanese mean real war. So far there has been war, but - except at the Nonni River - on one side only. Japan has made war while China has been non-resistant. But there can now be no quibbling and no evasion. Further armed invasion will be met by armed resistance.

There has already been a proposal for an international police force, appointed by the League, to supervise the Japanese evacuation of Manchuria, and responsible Chinese officials have agreed to this. Such an international force at Chinchow would unquestionably preserve the peace of Manchuria, as the Japanese would not dare to touch foreign troops. If the foreign troops in North China, including Shan-haikuan and Chinwangtao, take no action to preserve peace, it means the Powers stand for war. If the League does not take action at once to interfere with the Japanese invasion of new territory, it means that the League will not act to prevent war. If the United States Government takes no action to uphold the Kellogg Anti-War Pact, it means that the United States is indifferent to the breaking of the Pact which it initiated.

The time is past for hypocrisy and procrastination. China is faced with a problem of her continued existence as a nation. If the League will not act, can China do other than fight? Can we turn over the homeland to the enemy without lifting a finger in its defence?

The Leader.

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The Leader.

THE LEADER, Saturday, November 28 1921.

UPHOLDING THE NINE-POWER TREATY

It is not far from the truth to say that the Nine-Power Treaty was signed at Washington in 1922 to curb Japan's growing aggressions in China. The Island Empire's presentation of the repugnant Twenty-One Demands demonstrated to the world that Japanese imperialism aims at the conversion of China into a second Korea—and if that comes to pass the principle of the open door and equality of opportunity for trade will be lost forever. It is, therefore, to the interest of the Powers as well as to China herself to prevent a further Japanese stranglehold upon China. The statesmen of the world were fully aware of Japan's ulterior motives toward China when they worded Article I thus:

- (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.

The victory-inebriated Japanese militarists certainly had little respect for "the sovereignty, the independence, and the territorial and administrative integrity of China" when they forcibly seized city after city from non-resistant Chinese troops. That they have little respect for the Kellogg Pact and the League Covenant is a proven fact.

There is no doubt that section 4 of Article I of the Nine Power Treaty binding the signatories "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" was made with the object of squashing the Twenty-One Demands. There is no doubt that Article II to the effect that the Contracting Powers agree not to enter into any treaty, agreement, arrangement, or understanding, either with one another or, individually or collectively with any Powers, which would infringe or impair the principles stated in Article I" was designed to prevent a repetition of the Twenty-One Demands. There is no doubt that the Powers had the Twenty-One Demands in mind when they stipulated in Article III that "the Contracting Parties, other than China, agree that they will not seek or support their respective nationals in seeking (a) any arrangement which might purport to establish in favor of their interests any general superiority of rights with respect to commercial or economic development in any designated region of China, and (b) any such monopoly or preference as would deprive the nationals of any other Power of the right of undertaking any legitimate trade or industry in China, or of participat-

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ing 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."

Although she was a party to the Nine-Power Treaty, Japan has the effrontery to propose that the League should help enforce the Twenty-One Demands upon China, which is the exact meaning of the fifth of the so-called five "fundamental" points. If the League, which is backed up by many of the signatories to the Washington treaty, accepts the fifth "fundamental" point, it will knowingly violate the Nine-Power Treaty.

The report that the United States is willing to cooperate with the League in any drastic action which that cumbersome body may take, even to the extent of carrying on an economic boycott against Japan, is a reassuring sign that the overbearing war-mad Japanese militarists may be brought to their senses. Only by united action on the part of all the nations of the universe will it be possible to avert a catastrophe worse than that which has befallen Manchuria.

E.B.-S.L.

THE LEADER, Sunday, December 6, 1931.

THE MENACE TO TIENTSIN

On November 24 the Japanese Government, through *Reuter's* obliging Tokyo correspondent, sent out a message foreshadowing "very grave developments" unless the Chinese troops at Chinchow were withdrawn south of the Great Wall. If the Japanese attacked and defeated the Chinese, "Japanese troops may have to be rushed to North China to prevent the retreating soldiers from overwhelming the Japanese detachment at Shanhaikuan."

While this was the first intimation of a semi-official character that the Japanese intended to forcibly occupy North China, the skirmish at Tientsin two weeks previously made it clear that they were by no means confining to Manchuria their intrigues to overthrow the constituted Chinese authorities. Our worthy contemporary the *Peking and Tientsin Times*, which is certainly not unduly prejudiced against the Japanese, stated editorially in its issue of November 25 that "it is virtually certain, unless those who now hold power in the North submit at once, that Japanese forces will sweep the whole railway system to Peiping and beyond to the rail-head in the Northwest. It is possible that the Zone of Occupation will be similar in extent to that hitherto regarded as essential by the Fengtien forces, and that a Buffer State will be created embracing the whole of the North within the great 'L' of the Yellow River."

November 25, two days after the Tokyo message threatening an invasion of North China, another attack was made by plain-clothes men upon the Chinese police in Tientsin, in an attempt to seize the Chinese city. The attack, as previously, was supported by the Japanese direct, who again shelled the Chinese city from their Concession.

In the first outbreak, almost a month ago, the Japanese had gained the withdrawal of Chinese defence forces from a considerable area in the Chinese city bordering the Japanese Concession, while giving nothing in return. In the outbreak last week the conciliatory endeavors of the Chinese authorities went to the extent of withdrawing the military police from the defence lines, and agreeing to the practical disarming of the city.

In response to this, the Japanese have landed several new detachments of troops, in addition to heavy artillery and ammunition. Four hundred troops landed last Saturday, and several hundred marines Tuesday and Wednesday. These marines, it is reported, are being withdrawn as soldiers arrive, 450 Japanese infantry having landed on December 1. If the marines are actually being withdrawn, it means that the present Japanese force in Tientsin, ordinarily some 600, has now been almost trebled, and is at least

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1450, making it the largest foreign garrison in the port city. This is officially for "defence" against a Chinese city which has practically disarmed, and is now at the mercy of the invaders.

That the drive on Chinchow last week, which was only checked by a terrible fright which the Japanese military received from Washington, was aimed at Tientsin, has now been made clear by an official Japanese statement, the military authorities at Tokyo on December 1 issuing a declaration, approved by the Council of War and circulated by the Japanese news agency *Nippon Dempo*, stating that the advance of the Kuantung army towards Chinchow was made "because it was found necessary to rescue the Japanese forces and inhabitants in Tientsin who were in danger."

This is definite and clear. The matter of "danger" is of course nonsensical, as if there were any real danger in Tientsin additional Japanese troops could at once be landed from Tangku. But the aim is now plain enough—the conquest of Tientsin and evidently Peiping,—and this aim might have been realized already had it not been for the "misunderstanding" with Washington. The Japanese military, gradually recovering from their shock, are making their old demands again, and December 2 a Tokyo "official spokesman" declared that the legitimate Fengtien Government at Chinchow must be withdrawn, and that Japan's puppet government at Mukden should control this zone,—which was just what they wanted two weeks ago. And in the meantime they are making all preparations for the occupation of the Chinese city at Tientsin. As soon as they are sure that "everything was a mistake," and that outside nations will not interfere, we may expect them to attack both Chinchow and Tientsin, and the occupation of North China will be well under way. Everything is already being prepared.

F. G.



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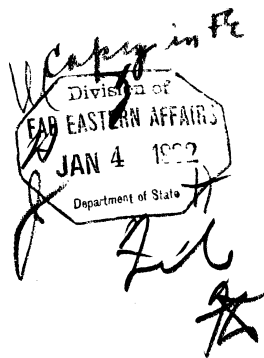
UNITED STATES OF AMERICA

Peking, December 7, 1931.

No. 1321



AM 232



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The Honorable
The Secretary of State,
Washington.

Sir:

Referring to various telegrams from the Consulate General at Tientsin to the Department regarding the recent disturbances in that city, I have the honor to transmit herewith a copy of a report, dated November 12, 1931, from Lieutenant Willard G. Wyman, to the Military Attaché of this Legation.

This report contains certain observations made on November 11th and 12th, with a brief addendum for November 13th, based on personal interviews and investigations. They confirm in the main the information which

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is already in the hands of the Department, but the Legation feels that this report should also be forwarded in order to complete the Department's files on the Tientsin incidents.

Respectfully yours,

For the Minister:

Mahlon F. Perkins

MAHLON F. PERKINS,
Counselor of Legation.

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Enclosure:

Copy of Lieutenant
Wyman's report, November
12, 1931.

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COPY

Tientsin, November 12, 1931.

Colonel N. E. Margetts,
American Military Attache,
Peiping.

Dear Colonel Margetts:

Herewith is a rough report of what I have been
doing here in Tientsin:

November 11.

Approaching Tientsin about two stations north of
the Tientsin Central station we passed the first sec-
tion of an armored train going toward Peiping. This
morning I was told by General Wang that this train
moved up and down the Peiping-Tientsin track as a gen-
eral safety precaution. The second section of this
same train was standing on a siding of the Tientsin
Central station as we passed through.

My train arrived at Tientsin, last night, only
about fifteen minutes late. I was met by Captain
Brown who was accompanied by an armed American soldier.
Cars were permitted to come to the station but there
were no rickshaws in sight. Chinese passengers, who
were very few, were being carefully examined as they
went through the station. At the international bridge
there was a strong Chinese guard (police, black coats)
of about ten men. Passing into the concession area
and on through to the American Barracks there was lit-
tle evidence of anything out of the ordinary except
that the streets were very empty. On the boundary line
between the British Concession and the First Special
District there were Chinese police in twos and threes
at road intersections. These police were well armed
(rifles) and had been supplied with sand bags.

Captain Brown went over the situation with me
carefully on the map. The situation as of that time is
familiar to you so I won't repeat. I reported to Col-
onel Taylor by telephone. He very kindly offered any
assistance I might want.

At 9.45 I went to Colonel Drysdale's quarters to
meet a Mr. Hwang. On his card Mr. Hwang has "Tzon Fah
Hwang, LL.M. Jur.D. Minister Plenipotentiary". He
told me later that he was the first secretary to the
River Conservancy Commission of which the Provincial
Governor is the Director. He was at one time a Secre-
tary and Counsellor in the Ministry of Foreign Affairs.

Now

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Now he seems to be closely connected with the political people here but he says that it is an entirely unofficial way.

Mr. Hwang took me to call on General Chang Hsueh-ming who was at his home in the old German Concession. The Mayor's gate was guarded by about eight men who impressed me by coming out of the shadows to scan me closely as I went in. The General was waiting for me and seemed quite glad to see someone from Peiping. I gave him my letter. Mr. Hwang was noticeably disappointed that my letter was only one of introduction.

I asked General Chang to give me his story of the outbreak here. He said that he was very tired, hadn't slept for three nights, and was afraid he couldn't talk or think clearly. He wanted to call a staff officer to go over the affair with me. Perhaps I was impolite to tire him further but after a few questions he seemed glad to give me his version.

General Chang left Peiping and came to Tientsin on Saturday because he received word that trouble would break here on Sunday (8th). He said that he had two secret service men who had succeeded in joining the plain-clothes forces which were preparing for their outbreak in the Japanese Concession. With this information at hand he was able to prepare for eventualities. By 9 p.m. on the 8th he had placed his peace preservation units at places of strategic importance which were protected by sand bags. Between 10 and 11 p.m. the plain-clothes men came out all along the front of the Japanese Concession and started fighting with the police who were ready for them.

At 61 (see enclosed map) an armored car came out of the Japanese Concession on the Yamaguchi road and opened fire on the Chinese police. After a few bursts the car withdrew but as it turned away the road was seen to be occupied by a unit of the plain-clothes troops who took up the battle where the car left off. The fighting was most severe at this point and at a point north of the western part of Fukushima road.

Shortly after 4 a.m. General Chang received word from the Japanese. They directed him to withdraw his police 300 meters from the boundary of the Japanese Concession as the fighting endangered their nationals. He replied that he couldn't withdraw because he was under General Wang's orders. General Wang on hearing about this called up Mr. Hwang and asked him to intercede with the Japanese through Colonel Drysdale. The Colonel couldn't intercede but advised them that "discretion was the better part of valor" and that they had better comply and see what happened afterwards. General Chang still did not want to move back because it left the telephone exchange (61) in the unoccupied zone. General Wang directed that the Chinese should withdraw and this was done.

There was no fighting during the daylight hours
of

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of the 9th except between 6 and 8 a.m. when the Japanese fired about twenty rounds of artillery. Most of this was blank. The general believed that there were only two live rounds recorded.

During the night of the 9th and 10th there was some fighting in the middle of the Chinese city but it died out on the following day. On the early morning of the 11th the fighting broke out again which was most severe and was centered about a point northwest of Fukushima road. There were two Chinese casualties making the total for the three days seventeen police killed and wounded.

He said that many plain-clothes men were killed but that no dead bodies were found. These men were organized into units, each unit carrying a special flag. The flag was white differing only in the color of the border, red, yellow, blue, white and black, which were the colors of the old republican flag of China. There was also a division into units in accordance with the weapons supplied, pistol units, pistol and sword units and rifle units. The size of these bodies was indeterminate as was the total number due to darkness and the fact that the fighting was spread over such a large area. There were many estimates from 400 up. The troops were made up of men who had been in the Japanese Concession for a long time.

Evidence in the shape of rifle cartridges with "M.A." stamped on them, a piece of a shell which they said was fired from a Japanese Mountain Artillery piece, flags, signal firecrackers, and a Japanese Concession automobile license which they said they took off a car which had been captured while supplying the enemy with ammunition were offered for my inspection. All of this was useless as there was no way of verifying it.

The General said that the plain-clothes troops were in greatest numbers, he believed, assembled in district at No. 75 (see map). Police from that district had not reported for four days. The Japanese had occupied a police station east and adjacent to that place (2nd district, 6th ward).

The Chinese had received no orders from the Japanese to evacuate Tientsin. The Chamber of Commerce (Chinese) have approached the foreign consuls to intervene.

When asked if I might interview some prisoners I was told that those who had not been executed in Tientsin were sent to Peiping (about forty).

I left General Chang at about midnight.

The only firing that I had heard during the evening was one short M.G. burst at 9.30 p.m.

November

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November 12.

I heard some spasmodic rifle firing at 2 a.m. I was told this morning that there was some more firing at 4 a.m. in the western outskirts of the western part of the city.

Mr. Hwang called for me at 10 a.m. and took me to call on General Wang Hsu-chang. The General was at home in the old German Concession. I was surprised at the few guards. He came outdoors clear to the gate to meet me. He seemed to be a much higher type than General Chang. He was above medium stature and robust with no portliness. He was pleasant and cordial, did not seem to be particularly worried about the situation but certainly did not regard it lightly. He is intelligent, quick of mind and seemed to be quite an energetic sort of person.

His story was similar to the one told by General Chang. In addition he mentioned particularly a Korean who had been captured and had been sent to Peiping. He said that this man would tell everything he knew and would be of great help as a witness. He suggested that I see him when I went back to Peiping.

He said that none of the bodies of the dead plain-clothes men had been found. The reason the Japanese wanted the Chinese to withdraw for 300 meters was in order that all evidence might be destroyed which would show the part the Japanese played in the disturbance.

He said that he was letting General Chang handle the situation. That he only had one regiment of troops for his personal guard at his headquarters. All the troops (which he differentiated from the police) were stationed north of Tientsin.

At 11.15 a.m. we called on Wang I-men, who performs the duties of the Peace Preservation Corps Commander (black coated police) together with those of the head of the detective bureau here. We talked with him at police headquarters which is at the "Br" in Kin Tang Br just above 60 on the map. Mr. Wang is a little fellow, a bundle of nerves and energy. He impressed me as being very capable and as sincere as Chinese ever are.

His story was generally the same as the others. He said that his men were the detectives who secured the information from the Japanese Concession. The Japanese were in constant conference with the plain-clothes troops. He said that the Japanese knew that the Chinese were aware of their intentions because he had asked for permission to arrest some of the plain-clothes ring leaders in the concession without success.

During the fighting one group of police were sure that they had killed two Japanese among the plain-clothes men. They returned as soon as possible to recover the bodies but they had been taken away. He said armored

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armored cars would come out of the concession and retrieve dead bodies. At times when the fight was going against the enemy these cars would advance from their points of vantage in the concession street entrances and threaten Chinese police. The enemy both advanced from and retired behind these vehicles. One car came out into the Chinese position and fired upon it. It was seen that there were two drivers in yellow uniforms without hats. The Chinese refused to fight with any of the cars.

The enemy had been collecting in the Japanese Concession for many days. Some of the leaders were capable men but they were mostly poor types, bandits, etc. They were doped in preparation for the attack. They were also told that the Chinese police were fixed and that there would be no fighting. They were greatly surprised when resistance developed. There were cries for "help", and of "betrayal", etc., heard amongst them.

At 12.20 Mr. Wang answered a telephone call. Coming back he said that a detective had just called in saying that Li Chi-ch'un, the plain-clothes leader, was in the Japanese Military Headquarters having a conference with the Japanese. This could have been faked but if it was it was very cleverly acted. Considerable excitement followed the announcement during which Mr. Wang said that if the Japanese would just not meddle he would be able to handle the situation very easily.

I had tiffin with Mr. Lockhart who scoffed at the idea that the Japanese could possibly have taken up the dead to conceal evidence. He said that this was the first time that he had heard the tale. He said that the Chinese had approached him relative to securing help from foreign troops.

At 2.45 p.m., accompanied by Captain Berrett, I went to the Central Police station again with the intention of looking around over the Chinese city. In going to the police station we crossed the international bridge and through the Italian Concession to 60. While there I talked to a man who was supposed to have been one of the detectives in the Japanese Concession. He was a bright fellow all right, almost too bright to be true. He had such an involved yarn to tell, interpolated by elocution, that I cut him off as soon as I could because time was short.

We left the police station with a major of police who kept a pistol ready for use continually and an armed guard who was picked up on the street. We rode in a 15th Infantry car. We went down Tung Men Ta Chieh to the west and then south on Nan Men Wai Ta Chieh to the Methodist Mission at about 68. The pencil mark on the map roughly marks the Chinese front lines. Our guide told us that there were three police units in the city of about 300 men each. It looked it for on every cross roads there was a post of from 10 to 20 men heavily sand bagged in and armed with rifles, pistols and machine guns. I wondered why some of them didn't have sabers

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sabers for they had everything else. They had prepared their positions for all around defense in many cases. Along the sides of some streets there would be little two-man forts at 50 yard intervals. Their ignorance of where the enemy might attack next was manifest by the general tension that existed with everyone, and the complete way in which the streets were covered with combat groups.

At the front lines north of 68 we had to get out of the car and walk. Our Major was reluctant to go but he did. The people at the mission were awfully pleased to see us. There are four foreign women staying there to-night. The one man left. They were quite nervous as there had been a great deal of firing and fighting in the vicinity of their compound. However, no one had attempted to molest them. There had been some stray bullets hit the buildings, one going into a bed room. I saw three places that had been hit, all coming from the northeast. While we were in the compound and on the street outside a number of shots were fired in our close vicinity. One came from the direction of the Japanese barricade down the street. (Shown on map by an ink mark, note that it is nearly at the northern boundary of the 300 meter dead space). The others were on the east and the west sides of the compound within two or three hundred yards of us. There are so many peculiar things about this whole affair. The few casualties, the hit or miss promiscuous firing, at so many different places. It sounds like a bunch of boys with much money at a picnic scaring the girls with many, ever so many, fire-crackers. And the girls are scared too. The shots come from behind, in front, to the right and to the left and they haven't the least idea what is going to happen next. But for this fright and the executions that they are having down here one would wonder if the Chinese weren't guilty of the thing themselves. The police think that much of the firing is done in the air as signals to each other.

Looking down the street toward the Japanese barricade the Chinese who were probably residents of the district seemed to be more noticeable on the streets than they were in the Chinese controlled areas. Another thing that was noticed was that the police seem to be making no effort to clean out the area immediately in front of their most advanced positions even though they are a long way from the Japanese. Shots could be heard in the streets not 200 yards from the police positions but they made no move to investigate. They claim that this place is thickly infested with the plain clothes troops and they get them as they come out to do their night work.

We inspected several positions in the vicinity of the mission and then went to the place marked "X" in ink

- 7 -

in ink. We didn't see anything of particular interest here except that while we were talking to an outpost group a number of Chinese walked up who were decidedly of the middle class all dressed in long silk gowns. On their left arms they wore white arm bands on which was a big red or blue cross. I asked who they were and our guide said they were local gentry who had organized to aid the police. I wondered if that was all they did. Anyway I hope to hear more about their business in the next day or two.

It began to get dark so we went back to police headquarters. I had wanted to look around the vicinity of the telephone exchange during daylight but when we started out our guide had been so reluctant about going down there that we gave in to him temporarily. Now we tried it again with better success. The telephone office is just north of 61 where so much fighting occurred and we got down to the rear door of the building which is away from the water-front because of the fact that the street is a very narrow and dark one and because the Chinese had an advanced post there. Not over 100 yards away and right under an arc light is the first Japanese barbed wire but we could see no sign of anyone occupying it. This point as can be seen from the map is well inside the bottle neck which is formed by the river and the northerly projection of the Japanese Concession. The East and West streets are very few in number and I have so far been unable to find out how the plain-clothes troops got into Yamaguchi road for their attack unless they went through the Japanese Legation (barring the river of course) .

Going back to the police station we were shown the body of a boy who had been killed at 10 o'clock the night before. It was too dark to look carefully at the body but it appeared that he was lying where he had fallen on the river bank half way between 61 and 60. The Chinese claim that he was hit by Japanese fire from their Concession on the river front. The Japanese claim that they did not fire a shot last night. However, it appears from the position of the body that they did. Our Major guide told us that between 10 and 20 civilians have been killed.

Returning to Barracks Captain Brown told me that the Chinese police in the 1st and 3rd Special districts had been reinforced. He said that the posts which have had 2 and 3 men have been added to until they now consist of 10 or more men. There was also a report of an enemy concentration east of Tientsin. I called up Chang Hsueh-ming's HQ and was told that two men had been captured who had reported that plain-clothes troops were assembling

- 8 -

ing in the area to the north-east of the city. Though this report was not verified, the Mayor's HQ added to their police strengths fearing that there might be an attack from that direction. The number reported was between 300 and 400 men.

Mr. Hwang called up and told me that on the night of the 11th arrangements had been made with the Japanese to permit the Chinese police to search the area of the neutral zone. The Japanese said that they would have representatives accompany, and that the search would be by given areas. The Chinese were willing but when they started to carry out the plan the difficulties offered by the Japanese were too great. They were still discussing the matter at the Japanese Consulate General's on the 12th at 9:00 p.m.

15th Infantry reports that 2 Bns of Infantry reinforced General Wang's bodyguard on the 12th.

November 13th - 7:00 a.m.

There was some firing in the Chinese city from 4:00 o'clock on this morning. It is still going on to a small extent and is in the same general area as before. I just verified this by calling the police station. They say however that another shell (artillery) was fired during the night. I will try to verify that this morning. They stated that there were no casualties. I have been up most of the night and have heard no explosions so I doubt the report.

I am going to see the Japanese people this morning and if possible I will try to accompany the next party that goes into the neutral zone. I would like to go when the Chinese and Japanese go together to observe their attitude toward each other.

I note that my typing, spelling, etc., is very bad and trust that it will be overlooked as I have been using this letter as a means for keeping me awake during the night.

Respectfully yours,

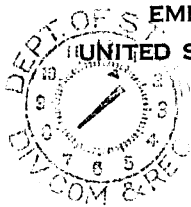
/s/ Willard G. Wyman
1st Lieutenant, Cavalry, D.O.L.

(A true copy EA)



No. 425.

PM RECD

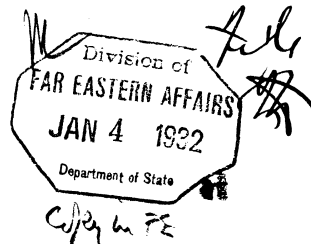
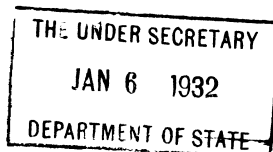


EMBASSY OF THE
UNITED STATES OF AMERICA

December 19, 1931.

Tokyo

JAN 2 32



F/DEW

793.94/3392

FILED

JAN 7 1932

The Honorable

The Secretary of State,
Washington.

Sir:

Supplementing my telegram No. 256 of December 9, 1931, I have the honor to transmit herewith a copy of the statement given to the press on November 30, 1931, by Baron Shidehara, then Minister for Foreign Affairs, respecting the conversation between us in regard to the situation in the vicinity of Chinchow.

As I reported in the above-mentioned telegram, I endorsed this statement as follows: "This statement is in substantial

-2-

substantial accord with my recollection of the interview in question". As Baron Shiuehara is no longer the Minister for Foreign Affairs, as I reported in my despatch No. 422 of December 17th, the incident may now be regarded, I should imagine, as closed.

Respectfully yours,



W. Cameron Forbes.

File No. 800

LS/LS

Enclosure:

Copy of Statement.

COPY OF STATEMENT GIVEN TO THE PRESS
ON NOVEMBER 30, 1931, BY BARON SHIDEHARA,
MINISTER FOR FOREIGN AFFAIRS.

Resumé of the conversations between the American
Ambassador and the Minister for Foreign Affairs on
November 24th:

In the course of the conversations which the American
Ambassador had with the Minister for Foreign Affairs on
November 24th, he called the attention of Baron Shidehara
to the reports then widely circulated that the Japanese
troops were contemplating an attack on Chinchow.

Baron Shidehara replied that he was convinced that
no aggression upon Chinchow was in the contemplation of
the Japanese Army. It was the settled policy of Japan
not to resort to the use of force, except in self-defence.
That policy was upheld by his colleague of War and the
Chief of the General Staff, and was, he felt sure, made
fully known to the Japanese military authorities in Manchuria.

He further said that according to the information
which had reached him, armed bandits in a considerable
number had recently been active in the district west of the
River Liao, and were marching towards Hsinmintun. He pre-
sumed that the reports mentioned by the Ambassador related
to the movements of the Japanese troops rendered necessary
for the suppression of those bandits that constituted a
serious menace to the security of the Japanese residents
at Hsinmintun. Baron Shidehara desired to make it clear
that such military movements against bandits in the dis-
trict west of the River Liao signify no design of aggression
upon Chinchow.

7E

TELEGRAM RECEIVED

MET

FROM

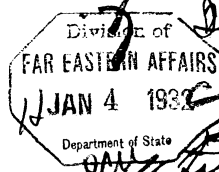
GRAY

Tientsin via N.R.

Dated January 4, 1932

Rec'd 10:45 a.m.

Secretary of State,
Washington



January 4, 6 p.m.

The following message has been sent to the Legation
today:

"January 4, 5 p.m. Situation in Chinwangtao area sub-
stantially as follows: Japanese armaments are repairing
railway bridge at Lienhsien; some Chinese troops are
still moving westward through Chinwangtao; Japanese planes
are conducting reconnaissance flights over Chinwangtao -
Shanhaikwan area; there are several Japanese war vessels
at Chinwangtao.

None of retreating troops from Chinchow have reached
Tientsin area.

Repeated to Department".

LOCKHART

WVC-WSP

F/DEW

793.94/3393

FILED

JAN 16 1932

1796

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75


DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS
January 7, 1931.

~~MMT:~~
~~SKM:~~
~~ASH:~~
~~GND:~~

In the attached despatch of December 5, 1931, the Consul General at Mukden reports that the Japanese authorities have the local Peace Maintenance Committee completely under ~~their~~ control and that Mr. Yuan Chin-k'ai, Chairman of the Committee, no longer being persona grata with the military authorities, is not permitted to give interviews except in the presence of a Japanese officer.

The Consul General also reports that Mr. Tsang Shih-yu, formerly Chairman of the Provincial Government, Mr. Chin Yu-fu, formerly Commissioner of Education, and Liu Ho-ling, formerly Commissioner of Industry, who were arrested at the time of the occupation of Mukden or a few days later, are still under arrest despite rumors to the effect that the first two had been released.



1797

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Lustigsm NARS, Date 12-18-75

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

January 7, 1931.

~~WAT:~~
~~SKP:~~
~~NSM:~~
~~CHB:~~

The attached despatch dated December 2, 1931, from the Consul General at Mukden gives some interesting information in regard to the Japanese penetration in Manchuria as a result of the Japanese occupation as follows:

1. The Japanese telephone system in the Japanese Concession at Mukden is being extended beyond the Settlement limits into Chinese territory.
2. The gas mains of the Japanese Settlement are being extended into Chinese territory.
3. The Office of the Fengtien Mining Administration which owns the Fuchowwan coal mines was closed by the Japanese military authorities on or about November 11, and the mines are now being operated by the Japanese, presumably the South Manchuria Railway Company.
4. The coal and iron mines at Penhsihu, formerly operated as a Sino-Japanese enterprise, are now being operated solely by the Japanese.



DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

PM RECD

No.



AMERICAN CONSULATE
GENERAL,

Mukden, China, December 2, 1931.

JAN 4 32

SUBJECT: Some Aspects of the Japanese Occupation.

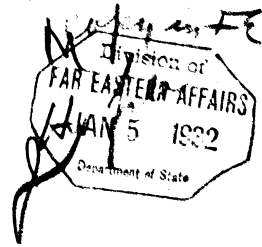
COPIES SENT TO
O.N.I. AND M.I.D.

F/DEW

THE HONORABLE

THE SECRETARY OF STATE,
WASHINGTON.

SIR:



793.94/3394

I have the honor to enclose herewith a copy
of my despatch No. 493, to the Legation, Peiping, China,
dated December 2, 1931, on the above subject.

Respectfully yours,

M. S. Myers
American Consul General.

FILED

FEB 18 1932

Enclosure!

Copy of despatch No. 493,
to the Legation, Peiping.

MSM:HTW
800

No. 493

AMERICAN CONSULATE GENERAL,

Mukden, China, December 2, 1931.

SUBJECT: Some Aspects of the Japanese
Occupation.

The Honorable

Nelson Trusler Johnson,

American Minister,

Peiping, China.

Sir:

I have the honor to report briefly on certain aspects of the Japanese military occupation of Manchuria which should be helpful in gauging the trend of events.

At Mukden there are two telephone administrations, one Chinese and the other Japanese, both having in the past two years installed the latest automatic equipment. The Japanese system functioned in the Japanese Railway Settlement and the Chinese in the native city and Commercial Settlement. Some Japanese lines had in the past been laid in the Chinese area but in recent years the opposition of the Chinese authorities to the extension of the Japanese system in their territory has been very strong and except in areas where the existing facilities sufficed it was practically impossible to secure the installation of a Japanese telephone. Although the Japanese regulations permit the installation of Chinese telephones in the Japanese Settlement they are so onerous that only a few Chinese telephones have been installed in

that

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

-2-

that area. For several years there has been an inter-system service but it has never proved very satisfactory.

Since the occupation of Mukden, the situation in regard to the extension of the Japanese system in the Chinese area has completely altered. Early in the morning of September 19, 1931, I am informed, Japanese linesmen were busy laying Japanese cables in the Commercial Settlement and the city. Although no doubt these lines at first were for the use of the military, many new cables have since been laid in the Chinese area and it is understood that the installation of a Japanese telephone can now be promptly secured. An estimate of the number of wires laid since that date is 1000 pairs.

Now the gas supply of the Japanese Settlement is being extended into the Commercial Settlement and Japanese water mains will be laid in this area as soon as practicable. Already gas mains have been laid in the principal streets and householders are being offered, for a limited period of time, free connections with the mains for the minimum installation of one gas burner at a monthly charge of Yen 1.20 (U.S.\$0.60) - the gas rate is 12 sen per cubic meter of gas. Heretofore the gas supply of the Japanese Railway Settlement has been confined to the Japanese area and a request for its extension into the Chinese area would no doubt have met with a flat refusal. The Japanese Consulate General, however, has for many years been connected with the Japanese water supply but as far as is known no other residents in the Commercial Settlement have been connected

with

-3-

with this supply. There is neither a Chinese water works nor gas supply at Mukden.

The Fengtien Mining Administration which owns and operates a number of coal and other mines in this province was closed by the Japanese military authorities on or about November 11th. The "closing" of the administration's offices which were located in the former premises of this Consulate General was carried out by Chinese coolies under the direction of a few Japanese soldiers who resorted to vandalism in the execution of their duties according to reliable information. Doors and windows were broken and the backs of safes hacked open with axes, papers and books partly torn were strewn over the floors, et cetera. It is understood that all important papers had previously been removed from the premises. This so-called administration is a private company whose stockholders comprise Marshal Chang Hsueh-liang, three Chinese banks and a number of influential Chinese. Mr. C. F. Wang, a younger brother of Dr. C. T. Wang, is its director.

6-12-75
✓

The Fuchowwan coal mines, near the Leased Territory on the Liaotung gulf, were purchased by the administration about four years ago and in the past year or two have been producing about 200,000 tons of anthracite dust annually. This product has been carried by lighters to Newchwang and thence transhipped to Shanghai and other China ports. The Japanese, presumably the South Manchuria Railway Company, took over these mines at about the time of the closing of the office at Mukden and are now operating them. Already a short spur connecting the mines with the main line has been built and all coal

is

-4-

is now moving through Dairen. Doubtless the Japanese have some plausible pretext for the seizure of these mines, but so far it has not been made public - in fact the taking over the operation of these mines has passed unnoticed. A hurried inspection of some reference books has failed to disclose any Japanese claims to these mines, but, of course, there still may be some.

8924251 ✓

At the time of the Japanese occupation of Penhsihu in the early part of October, the Chinese staff of the Penhsihu Coal and Iron Mines, a Sino-Japanese enterprise, was driven away and since that time this concern has been conducted solely by the Japanese. The provincial government at Mukden is the Chinese party and Chura & Company the Japanese party in this joint enterprise. Li Yu-lan, the Chinese director of this concern, was one of the original members of the Peace Maintenance Committee at Mukden which was formed at the instigation of the Japanese military authorities. When the Penhsihu plant was seized, Li fled and his name has since been dropped from the list of committee members. There is no indication that this step was taken for the benefit of the Peace Maintenance Committee. This information was received from a member of the expelled staff and is believed to be authentic. No reports regarding it have appeared in the local press.

8924462 ✓

The closing of the Chinese electric light plants at Antung and Changchun and the linking of the Mukden Electric Light plant (Chinese) to the Japanese high tension plant at Fushun were reported in this Consulate

General's

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
 Department of State letter, August 10, 1972
 By Milton O. Gustafson NARS, Date 12-18-75

-5-

General's despatch No. 480, of November 5, 1931, entitled "Japanese Action Against Chinese Electric Light and Power Plants". The Mukden and Fushun plants have been connected and now part of the power consumed by the Chinese city is furnished by the Fushun plant. The capacity of the two Chinese plants at Mukden is 9500 kilowatts while the present power and lighting requirements of the city are only 4000 kilowatts, a clear indication that this hook-up was dictated by other considerations than those of supplying adequate power to the city.

It is apparent from these few incidents that the Japanese are taking advantage of conditions in Manchuria in order to advance their interests in derogation, if not violation, of "the principle of equal opportunity for the commerce and industry of all nations". Probably these Japanese activities have received the official approval of the local Chinese administrative authorities who, however, are completely under the influence of the Japanese. The Municipal Office at Mukden has wide powers, including the regulation of telephones, telegraphs, radio, electric power, police, et cetera. The authority of the reconstituted Bureau of Industry comprehends the mining industry. It is evident, of course, that the infringement of the Nine Power Treaty is not obviated by the legitimization of the offending activities.

Respectfully

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

-6-

Respectfully yours,

M. S. Myers
American Consul General.

Original and one copy to Legation.
Five copies to Department.
One copy to Embassy, Tokyo.
One copy to Consulate General, Harbin.
One copy to Consulate, Dairen.

MSM:NTW
800



1805
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

January 7, 1932.


~~MMH:~~
~~SKM:~~
~~RMH:~~
~~GNB:~~

The Consul General at Mukden under date December 6, 1931, reports an interview given Mr. Victor Keen, correspondent for the NEW YORK HERALD TRIBUNE, by General Honjo. The outstanding points of the interview are as follows:

1. General Honjo stated that the Japanese would not attack Chinchow unless offensive measures were undertaken by Chinese regulars, by Chinese plain clothes soldiers or by bandits instigated by Chinese regular soldiers.

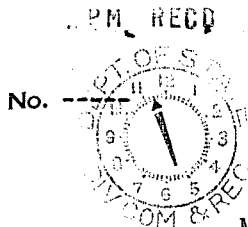
2. General Honjo stated that it was desired to withdraw all troops to the South Manchuria Railway area as soon as possible.

3. General Honjo stated that there were about 14,000 Japanese soldiers in Manchuria (not including Dairen) and that the Japanese casualties since the occupation of Mukden on September, consisted of 210 killed, 485 wounded and about 400 suffering from severe frostbites.



180F

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75



AMERICAN CONSULATE
GENERAL,
Mukden, China, December 7, 1931.

COPIES SENT TO
O.N.I. AND M.I.D.

JAN 4 32

SUBJECT: Interview Granted by General Honjo to the
Correspondent of the New York Herald Tribune.

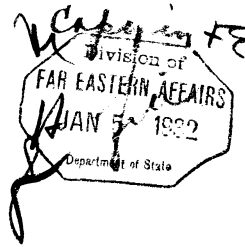


THE HONORABLE

THE SECRETARY OF STATE,
U.S. DEPARTMENT OF STATE,
WASHINGTON.

SIR:

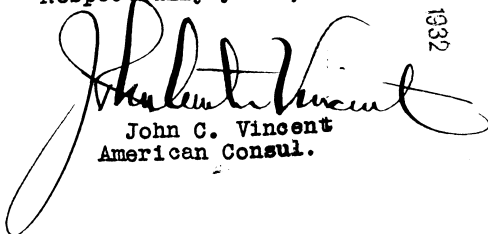
2861-1932



note 873/0146

I have the honour to enclose herewith a copy
of my despatch No. 498, to the Legation, Peiping, China,
dated December 8, 1931, on the above subject.

Respectfully yours,


John C. Vincent
American Consul.

FILED
FEB 13 1932

Enclosure:

Copy of despatch No. 498,
to the Legation, Peiping.

JCV:HTW
800

F/DEW

793.94/3395

No. 498

AMERICAN CONSULATE GENERAL,

Mukden, China,

December 6, 1931.

SUBJECT: Interview Granted by General Honjo to the
Correspondent of the New York Herald Tribune.

The Honorable

Nelson Trusler Johnson,

American Minister,

Peiping, China.

Sir:

I have the honor to submit, for the Legation's information, the following report of an interview given by the Commander in Chief of the Kwantung Army, General Honjo, to Victor Keen, correspondent for the New York Herald Tribune.

General Honjo informed Mr. Keen that the Japanese military command had no intention whatsoever of making an attack against the Chinese troops stationed at Chinchow unless offensive measures were undertaken by Chinese regulars, Chinese plain clothes soldiers, or bandits instigated by Chinese regular soldiers, and added that the question of a "Japanese military expedition against Chinchow was entirely dependent upon the disposition and behavior of the Chinese troops now stationed in the Chinchow area". The General pointed out that were the Chinese

regulars

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
 Department of State letter, August 10, 1972
 By Milton O. Lustigsm NARS, Date 12-18-75

- 2 -

regulars, plain clothes soldiers, and bandits now known to be scattered in large numbers west of the South Manchuria Railway to become a menace to Japanese railway operation or to peace and order in the railway area then it would be necessary for the Japanese forces to take appropriate military measures.

In discussing the feasibility of the establishment of a neutral zone between the Liao river and Shanhaikuan, General Honjo stated that it depended upon the extent to which the Japanese can rely upon Chinese promises and their ultimate actions. The General is quoted by Mr. Keen as saying that "the Chinese propose the establishment of a neutral zone in the Chinchow area but since making the proposal they have stationed many groups of troops in the area extending northeastward from Chinchow almost to Hsinnintan, the western outpost of the Japanese army".

Mr. Keen asked what districts outside the South Manchuria Railway area the General considered it necessary to occupy with Japanese troops for a prolonged period and received the reply that it was desired to withdraw all troops to the South Manchuria Railway area as soon as possible but that until the present military situation was altered it would be necessary to maintain forces along the Liao river where there was possibility of a menace to the S.M.R., at Kirin where there were large numbers of Japanese residents, and in the Nonni-Tsitsihar area

pending

- 3 -

pending the establishment of political stability there. General Honjo indicated to Mr. Keen by use of a large map, places where banditry constituted menace to Japanese interests, and stated that the Japanese military authorities feel obligated to protect Chinese residents as well as Japanese from bandit activities.


93.0146
The General estimated that there were fourteen thousand Japanese soldiers in Manchuria (not including Dairen) and that of these three thousand six hundred were stationed inside the South Manchuria Railway area in the following districts: along the Saopingkai-Taonan and Taonan-Angangchi railways, including Teitsihar; in Kirin and Yingkow; and at Chulaho and Hsinmintun on the Peking-Mukden railway. According to the General the Japanese casualties since the occupation of Mukden on September 18th are as follows: two hundred and ten killed, including fourteen officers; four hundred and eighty-five wounded, including twenty-eight officers; about four hundred suffering from severe frost bite received during the Nonni river campaign.

Very respectfully yours,

John Carter Vincent.
American Consul.

Original and one copy to Legation.
Five copies to Department.
Copy to the Embassy, Tokyo.

JCV:WXP
800



DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS
January 7, 1931.

~~ADM:~~
~~SEC:~~
~~ADM:~~
~~ADM:~~

The Consul General at Mukden reports under date December 5, 1931, the disposition of Japanese troops in Manchuria as follows:

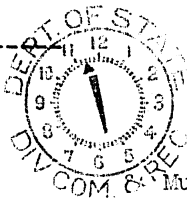
Tsitsihar -- 3 battalions
Liaoyuan -- 3 battalions
Kirin -- 1 or 2 battalions
Changchun -- 3 battalions
Mukden and Liaoyang -- 8 battalions
Hsinmin -- 1 battalion

An estimate of the total number of men is 20,000.



PM RECD

No. ---



AMERICAN CONSULATE
GENERAL,

Mukden, China, December 5, 1931.

COPIES SENT TO
O.N.I. AND M.I.D.

JAN 4 32

SUBJECT: Disposition of Japanese Troops in Manchuria.

THE HONORABLE

THE SECRETARY OF STATE,

WASHINGTON.

SIR:

Division of
FAR EASTERN AFFAIRS
JAN 5 1932
Department of State

I have the honor to enclose herewith a copy of
my despatch No. 497, to the Legation, Peiping, China,
dated December 5, 1931, on the above subject.

Respectfully yours,

M. S. Myers
American Consul General.

Enclosure:

Copy of despatch No. 497,
to the Legation at Peiping.

MSM:HTW
800

F/DEW

793.94/3396

FILED

JAN 13 1932

793.94
894.23
893.146

No. 497

AMERICAN CONSULATE GENERAL,

Mukden, China, December 5, 1931.

SUBJECT: Disposition of Japanese Troops
in Manchuria.

CONFIDENTIAL.

The Honorable

Nelson Trusler Johnson,

American Minister,

Peiping, China.

Sir:

I have the honor to enclose herewith a memorandum showing the present disposition of the Japanese troops in Manchuria. This information was given me yesterday by Lieutenant Colonel McIlroy, Military Attache at Tokyo, upon his return from Taitseihar and is believed by him to be fairly accurate.

It is worthy of note that Japanese Railway Guards, so-called independent battalions, are now stationed on the Sipingkai-Taonan and Taonan-Angangshi Railways which are being operated as a unit and under the general direction of the South Manchuria Railway Company. The debts of these Chinese lines to the South Manchuria Railway Company on account of construction costs and deferred interest payments no doubt considerably exceed their replacement cost.

Respectfully

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

-2-

Respectfully yours,

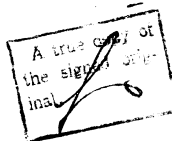
M. S. Myers
American Consul General.

Enclosure:

Memorandum.

Original and one copy to Legation.
Five copies to Department.
Copy to American Embassy, Tokyo.
Copy to Consulate General, Harbin.
Copy to Consulate, Dairen.

MSM:HTW
800



MEMORANDUM REGARDING DISPOSITION OF JAPANESE TROOPS
(as of December 4, 1931)

	<u>Infantry</u>	<u>Name of Unit</u>
Tsitsihar	3 battalions	Hirosaki Brigade
Liaoyuan (Chengshiatun)	3 "	" "
Kirin	1 or 2 "	Chosen "
Changchun	3 "	" "
Mukden and Liaoyang	8 "	2nd Division
Hsairuin (Chuliuhao)	1 battalion	

Note: The strength of the cavalry and artillery at these points is not known; it is probably in proportion to the infantry.

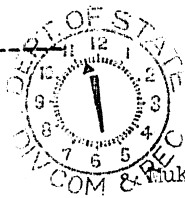
The Railway Guards are now stationed between Saupingsai and Angangchi on the Sen-Tao and Tao-Ang Railways and between Changchun and Kirin on the Kirin-Changchun Railway as well as on the South Manchuria Railway. There are altogether 6 battalions of 800 men each, each battalion having one machine gun company with four guns.

The Japanese military admit having slightly less than 20,000 men in Manchuria. With replacements en route the number probably exceeds 20,000.

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

PM RECD

No. ---



AMERICAN CONSULATE

GENERAL,

Mukden, China, December 5, 1931.

JAN 4 32

SUBJECT: Political Conditions.

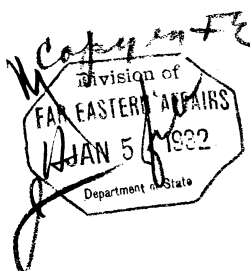
COPIES SENT TO
O.N.I. AND M.I.D.

(G)

THE HONORABLE

THE SECRETARY OF STATE,

WASHINGTON.



SIR:

I have the honor to enclose herewith a copy of
my despatch No. 495, to the Legation, Peiping, China,
dated December 5, 1931, on the above subject.

Respectfully yours,

W. S. Myers
W. S. Myers
American Consul General.

REC 13 1932

FILED

Enclosure:

Copy of despatch No. 495, to the
Legation, Peiping.

MSM:HTW
800

F/DEW

793.94/3397

No. 495

AMERICAN CONSULATE GENERAL,

Mukden, China, December 5, 1931.

SUBJECT: Political Conditions.

The Honorable

Nelson Trusler Johnson,

American Minister,

Peiping, China.

Sir:

As of possible interest, I have the honor to report the following for the information of the Legation:

As previously reported, the local Peace Maintenance Committee was originally organized as the spokesman of the Chinese in their relations with the Japanese authorities. It was purely an unofficial body and its functions related solely to the maintenance of peace and order. However, the Japanese soon found need for a Chinese body which would exercise, under their direction, some functions of government. Gradually as a result largely of Japanese pressure, the Committee assumed certain functions of government and on November 10th it was installed in the offices of the provincial government. Although invariably referred to by the Japanese press as the provincial government, it is still the Peace Maintenance Committee that exercises according to its proclamation of November 7, 1931, temporarily the prerogatives of government.

Yuan

-2-

Yuan Chin-k'ai, chairman of the Committee and its most prominent member, who was at different times subjected to considerable pressure to head a provincial government has, since the Japanese demonstration at Mukden on November 15, 1931 (reported in my despatch of November 17, 1931), been in disfavor with the Japanese due to his frank statements in an interview with American press correspondents and in a speech at the Chamber of Commerce on November 15th. It is understood that he is no longer persona grata with the military authorities.

On December 2, 1931, Mr. Hunter of the International News Service, called at the Committee's headquarters by appointment to interview Mr. Yuan. He was met at the door by a Japanese who said that he was in charge of press interviews and that Mr. Yuan was busy and could not be seen. After some explanation the Japanese agreed to the interview and escorted Mr. Hunter into the reception room. When it was suggested to the Japanese that he wait outside during the interview he explained that he had been delegated by Military Headquarters to protect Mr. Yuan and could not possibly leave him. Yuan later appeared and signified his willingness to be interviewed without the Japanese being present but he refused to leave. After some time the Japanese terminated the interview by ordering Yuan to leave the room with him. It is understood that Yuan is being adequately "protected" day and night.

It will be remembered that Tsang Shih-yi (臧式毅),

Chairman

-3-

Chairman of the Provincial Government, Chin Yu-fu (金毓紘), Commissioner of Education, and Liu Ho-ling (劉鶴齡), Commissioner of Industry, were detained by the Japanese military at the time of the occupation of Mukden or a few days later. Reports were published a few days ago in the press that the first two had been released but according to reliable information obtained yesterday this is not the case. They are still under detention but on what charges or for what reason is not known. Mr. Tsang is an official of unquestioned probity. He was in command of the troops at Mukden at the time of the death of Chang Tso-lin and it is generally believed that his able handling of the situation avoided a clash with the Japanese troops at that time. Chin Yu-fu, it is thought by some, was detained because of anti-Japanese propaganda in the local schools which, it may be interpolated, have not yet been reopened. Liu Ho-ling is alleged to have heavily fined a Japanese (amount paid given as \$500,000) in connection with some mining operations. In view of the Chinese restrictions on the operation of mines by foreigners, it is possible that the Japanese have found him objectionable on other counts.

Respectfully yours,

M. S. Myers
American Consul General.

Original and one copy to Legation.
Five copies to Department.
Copy to Embassy, Tokyo.

MSM:HTW
800

12

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

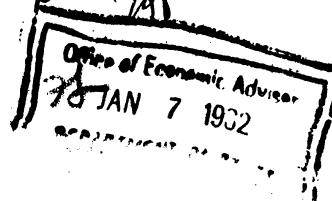
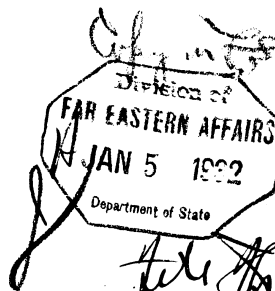


LEGATION OF THE
UNITED STATES OF AMERICA

Peiping, December 8, 1931.

No. 1311

JAN 2 32



F/DEW

793.94/3398

The Honorable
The Secretary of State,
Washington, D. C.

Sir:

1/ I have the honor to refer to despatch No. 494,
of December 4, 1931, from the American Consulate Gen-
eral, Mukden, to the Legation (copies of which were
sent direct to the Department by the Consulate General),
concerning three checks held by Frazar, Federal In-
corporated, U.S.A., drawn on the Bank of China at Muk-
den by the Jehol authorities in payment for certain
motor trucks. There is transmitted herewith, for the
Department's information, a copy of the Legation's in-
struction of to-day's date to Consul General Myers, ex-
pressing gratification at the successful result of
lengthy negotiations with the Japanese authorities to

secure

182

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

- 2 -

secure the payment of these checks,

Respectfully yours,

For the Minister:

Mahlon F. Perkins
Mahlon F. Perkins,
Counselor of Legation.

Enclosure:

1. Copy of Legation's instruction
to American Consulate General,
Mukden, December 8, 1931.

Copy to American Consulate General, Mukden.

340.

CJS-SC

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
 Department of State letter, August 10, 1972
 By Milton O. Lustigsm NARS, Date 12-18-75

Enclosure No. 1311
 Dispatch No. 1311

Peiping, December 8, 1931.

Myrl S. Myers, Esquire,
 American Consul General,
 Mukden.

Sir:

I beg leave to acknowledge the receipt of your despatch No. 494, of December 4, 1931, concerning the three checks held by Frazer, Federal Incorporated, U.S.A., drawn on the Bank of China at Mukden by the Jehol authorities in payment for certain motor trucks, and to express the Legation's gratification at the successful result of your lengthy negotiations with the Japanese authorities to secure the payment of these checks. A copy of your despatch under acknowledgment has been furnished Consul General Lockhart at Tientsin.

Very truly yours,

For the Minister:

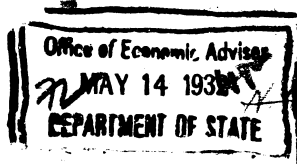
Mahlon F. Perkins,
 Counselor of Legation.

Copy to Department of State.

CJS-SC

PM REGD

No.



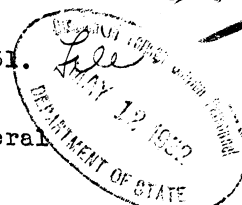
AMERICAN CONSULATE

GENERAL,

Mukden, China, December 5, 1931.

JAN 4 32

SUBJECT: Payment of Checks Held by Frazar, Federal Incorporated, U. S. A.

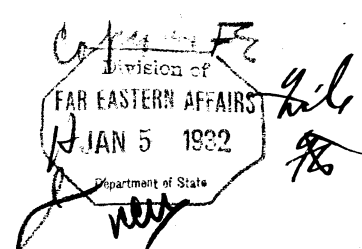


THE HONORABLE

THE SECRETARY OF STATE,

WASHINGTON.

SIR:



F/DEW

793.94/3399

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note
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I have the honor to enclose herewith a copy of my despatch No. 494 of December 4, 1931, to the Legation at Peiping, on the above subject. In connection with this despatch, the Department is respectfully requested to refer to my despatch of November 3, 1931, with which was enclosed a despatch to the Legation at Peiping on the same subject as the one herewith enclosed.

There is also enclosed a letter from Frazar, Federal Incorporated expressing the company's appreciation of Vincent's assistance.

Respectfully yours,

M. B. Myers
M. B. Myers
American Consul General.

Enclosures:

- Copy of despatch No. 494 to the Legation at Peiping.
- Copy of letter from Frazar, Federal Incorporated.

MSM:HTW
340/800

Noted on Efficiency Records

M. v. D.

FILED

JAN 18 1932

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

No. 494

AMERICAN CONSULATE GENERAL,

Makden, China, December 4, 1931.

SUBJECT: Payment of Checks Held by Frazar,
Federal Incorporated, U. S. A.

The Honorable

Nelson Trusler Johnson,

American Minister,

Peiping, China.

Sir:

I have the honor to refer to the Legation's instruction of October 27, 1931, and to my reply thereto dated October 31, concerning the Bank of China's inability, due to Japanese military interference, to cash checks drawn in favour of Frazar, Federal Incorporated, by the Jehol provincial authorities in payment for certain automotive supplies.

It is with satisfaction that I now inform the Legation that six weeks of negotiation resulted yesterday in securing payment of the three checks amounting to silver \$369,780.00. The active cooperation which this Consulate General received from the Japanese Consulate General in dealing with the case should be mentioned. Had the Japanese consular officers limited themselves to a mere pro forma handling of the matter it is very doubtful that the

military

- 2 -

military authorities would have been persuaded to withdraw their objection to the payment of the checks.

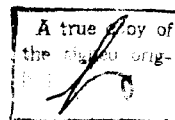
As illustrative of the involved form of "administration" now prevailing in Mukden, the following statement made by Mr. Vincent to Mr. Flath (manager of Frazar, Federal Incorporated in Mukden) the day before the checks were cashed, is quoted: "I am going to see Mr. Miura at the Japanese Consulate and ask him to request the Japanese military authorities to instruct the Japanese advisor to the Peace Preservation Committee (Chinese) that he should inform the Peace Preservation Committee that the military authorities have withdrawn their objection to the cashing of the checks (the military authorities had so informed the Bank of China directly several days before) and that the Committee should therefore advise the Bank that it has no reason for interfering with the payment of the checks."

Very respectfully yours,

M. S. Myers.
American Consul General.

JCV:HTW
340/800

Original and one copy to the Legation.
In quintuplicate to the Department.
Copy to the Embassy, Tokyo.



1825
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

C O P Y

Frazer, Federal, Incorporated, U. S. A.

Mukden, December 3, 1931.

American Consulate General,
Mukden, China.

Dear Sirs:


With reference to our letter of October 23, 1931 and to our subsequent correspondence and conversations in regard to the three checks re held on the Bank of China of which the Japanese military authorities held up payment, we wish to advise that we have now collected our claim in full.

We highly appreciate the assistance that you have given us in this matter and we take this opportunity to thank Mr. Vincent for his untiring efforts which have brought this case to a successful conclusion.

Yours very truly,

Frazer, Federal Inc., U. S. A.

By (Signed) P. D. Plath.



1826

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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

PM RECD

No. 45.

AMERICAN CONSULATE GENERAL

Tientsin, China, December 8, 1931.

JAN 4 32

SUBJECT: Disorders at Tientsin.

THE HONORABLE

THE SECRETARY OF STATE

WASHINGTON.

SIR:

I have the honor to refer to my despatch No. 39 of November 21, 1931, on the subject of the disorders at Tientsin, and to transmit herewith, in supplement to the above-mentioned despatch, a copy of my despatch No. 71, dated December 5, 1931, addressed to the Legation at Peiping.

Respectfully yours,

F. P. Lockhart

F. P. Lockhart,
American Consul General.

800

FPL/DA

Enclosure:

To Legation, December 5, 1931.

Original and 4 copies to Department.

FE
LFP
Page 11

CORRESPONDENCE
O.N.I. AND M.I.D.
F/DEW

Division of Foreign Service Personnel
FEB 6 - 1932
DEPARTMENT OF STATE

Division of
FAR EASTERN AFFAIRS
JAN 5 1932
Department of State

March 25 1932.

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DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
 Department of State letter, August 10, 1972
 By Milton O. Gustafson NARS, Date 12-18-75

No. 71.

Enclosure No. 1 in Despatch
 No. 45 Dated Dec. 8/31
 From the American Consulate General
 Tientsin, China.

AMERICAN CONSULATE GENERAL,

Tientsin, China, December 5, 1931.

Subject: Disorders at Tientsin.

The Honorable Nelson T. Johnson,
 American Minister,
 Peiping.

Sir:

I have the honor to refer to my despatch No. 61 of November 21, 1931, on the subject of the disorders at Tientsin, and to my telegrams of November 27 - 10 a.m., November 27 - 6 p.m., November 28 - 5 p.m., November 28 - 6 p.m., November 29 - 12 Noon, November 30 - 4 p.m., December 1 - 3 p.m., and December 3 - 12 Noon, on the same subject, and to report as follows in supplement to the above-mentioned despatch and telegrams:

A period of about a week of comparative calm followed an agreement between the Japanese and Chinese authorities to abolish the 300 meter zone as described in my despatch No. 61 of November 21, but on November 26 at about 8:30 in the evening, several days after the partial removal of the barricades and defenses erected by the Chinese police in the zone, a fresh outbreak of disorders occurred in the Chinese territory near the Japanese concession borders. While the antagonism and distrust growing out of the disorders which began on November 8 left a pronounced fear of further trouble in the minds of Chinese residing in the area between the Japanese concession borders and Hopei,

SOME

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 Department of State Letter, August 10, 1972
 By Milton O. Gustafson NARS, Date 12-18-75

-2-

some confidence had been restored by the time the second outbreak occurred ~~as~~ much as the strict martial law had been relaxed, and tram car service in the Chinese City and in the Japanese concession had been resumed and some of the barricades as above-stated had been removed. However, two days before the second outbreak rumors were in circulation that further disorders were likely to occur and, as confidently expected in certain well informed Chinese quarters, heavy rifle, machine gun, trench mortar and mountain gun fire began about 8:30 on the evening of November 26. As was the case on November 8, it has been impossible to fix with certainty the responsibility for starting the trouble. The Chinese claim that the plain clothes men, at the instigation of the Japanese, opened fire, without provocation, on the Chinese armed police who promptly returned the fire. The Japanese claim that many rifle bullets and some shrapnel fell into the Japanese concession and that the soldiers on guard duty returned the fire with rifles, machine guns and shrapnel or trench mortars. It appears that the Japanese were determined to punish the Chinese severely and accordingly some 40 or 50 trench mortar shells were fired into the Chinese City. Many of these shells were directed towards the Public Safety Bureau, the telephone administration, and the Provincial Government headquarters. The telephone building was struck by a shell, but none hit the other two buildings. The firing was very heavy and kept up for almost the entire night, there being but brief intervals. Rifle, machine gun

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
 Department of State letter, August 10, 1972
 By Milton O. Lutz NARS, Date 12-18-75

-3-

gun and trench mortar firing kept up intermittently during November 27, 28, 29 and for a brief period early in the morning of November 30. The total number of casualties will never be known, but the Chinese police authorities report five policemen killed and seven wounded. Several civilians were killed and one Japanese soldier wounded.

- The conflicting reports emanating from Chinese and Japanese sources made it evident shortly after the second outbreak of the disorders that it would be impossible to ascertain who actually was responsible for renewing the trouble. The Japanese version of the affair is set forth in a Bulletin (No. 48) issued by the Japanese Information Bureau on November 27, a copy of which is enclosed herewith. A copy of a letter addressed to me under date of November 28, 1931, by the Commandant of the Japanese Forces in Tientsin, enclosing a statement issued on that day giving a further account of the Japanese side of the controversy, is also enclosed. In addition to the effort to justify the Japanese course of action, it will be observed that General Kashii attempts to leave the impression that the Japanese policy is not only to protect the Japanese Concession and Japanese nationals and their property, but also to protect all foreign nationals and their interests at Tientsin. The last three paragraphs of the letter from General Kashii, and the enclosed excerpt from Bulletin No. 55 of the Japanese Information Bureau, dated December 4, make this very clear. Incidentally, I may add that General Kashii's letter was not delivered to me until 7 p.m. on November 29, more than twenty-four hours after the time fixed in the last paragraph.

Attempts

-4-

Attempts were made by one of General Kashii's staff officers to communicate to all consular officers by telephone on Saturday afternoon the substance of the last paragraph of General Kashii's warning, but in doing so the officer blundered by stating that the Japanese would open fire on the Chinese at 6 p.m., and that all foreigners should be withdrawn from the Chinese area. This communication created consternation and it was not until a Japanese consular representative was consulted by myself and other local consular officials that the actual position was ascertained as set forth in the last paragraph of General Kashii's letter, which was that the Japanese would not return the fire of the Chinese until 6 o'clock p.m. in order to enable foreigners to evacuate from the possible zone of operations. This suspension of firing by the Japanese was believed to be due to my complaint concerning the predicament of the American missionaries at the Methodist Episcopal Mission.

Against the Japanese claims the Chinese have persistently alleged that they were in no way responsible for the fresh outbreak, and that it can rightfully be attributed to but one cause, i.e. - Japanese instigation of the plain clothes men who were kept in or near the Japanese concession for the purpose of renewing the attack whenever the need should arise. To offset this claim, however, it is well to point out that many of the Japanese volunteers had been relieved from service on the morning of November 26, as 4/ evidenced by the enclosed excerpt from Japanese Information Bureau Bulletin No. 47, dated November 26, 1931, and that

SOME

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
 Department of State letter, August 10, 1972
 By Milton O. Gustafson NARS, Date 12-18-75

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some of the business places in the Japanese concession and the schools had been reopened. In support of this view and of the claim that the Chinese had not lived up to their agreement to remove all the barricades and the armed police from the 300 meter zone in pursuance of the agreement previously made, there is enclosed herewith a copy of Bulletin No. 45 of the Japanese Information Bureau on this subject.

JAPANESE DEMANDS.

The Japanese authorities, following the renewal of the disturbances on the night of November 26, lost no time in communicating an urgent demand on General Wang Shu-chang, Chairman of the Hopei Provincial Government, that steps be taken to ameliorate the situation. On November 27 General Kashi despatched a letter to General Wang, a copy of which is enclosed, setting forth five demands which were to be met by noon of that day. General Wang, however, replied that the time was too short, whereupon the Japanese extended the time to 4 p.m., by which time General Wang had despatched a reply, a copy of which is enclosed. The Japanese authorities, however, were dissatisfied with the reply and took occasion on the morning of November 28 so to inform General Wang. At the same time they let it be known that unless the armed police were withdrawn to Hopei, the Chinese could expect further trouble. It was on this day that the report was circulated that at 6 p.m. the Chinese City would be bombarded. There is reason to believe that this information might have been purposely disseminated to persuade the Chinese forthwith to withdraw the armed police.

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
 Department of State letter, August 10, 1972
 By Milton O. Lustigsm NARS, Date 12-18-75

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police. In any event, when these reports became current the Chinese despatched a representative to the Japanese military headquarters to negotiate for the withdrawal of the police to Hopei. The Chinese were prepared to begin their withdrawal late in the evening, but at the request of the Japanese authorities, who considered that some confusion and misunderstanding might arise if the withdrawal should take place during darkness, the movement did not begin until the next day. On Sunday, November 29, the armed police were withdrawn to Hopei since which time there has been no shooting of any kind with the exception that early on the morning of Monday, November 30, a few shots were heard in the vicinity of the Haikwan-su side of the Japanese concession.

At a Consular Body meeting on Saturday, November 28, at which were present a Japanese consular representative and a representative of the Chairman of the Provincial Government, the Body took occasion to impress upon the Japanese and Chinese representatives the grave necessity of amicably adjusting the differences that had kept the entire city in a state of anxiety for three weeks. The suggestion for the withdrawal of the armed police to Hopei and the substitution of the ordinary police as a means of preserving order in the areas adjoining the Japanese concession was discussed and it was the opinion of those present that the plan would ameliorate the situation. It was evident that the presence of a large body of armed police in the Chinese area adjoining the Japanese concession was a disturbing element especially since it was

believed

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 Department of State letter, August 10, 1972
 By Milton O. Gustafson NARS, Date 12-18-75

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believed that many of these police were soldiers in police uniform. American citizens who saw these police on duty have reported that many of them possessed the manner and bearing of soldiers rather than police, although in the uniform of the latter. It is significant that since the withdrawal of the armed police there has been no report of the activities of bodies of plain clothes men, although this does not necessarily mean that there were no plain clothes men previously engaged in the disturbances. The Japanese emphasize the fact, however, that since the disorders ceased simultaneously with the withdrawal of the armed police, plain clothes men have been a cloak for attacks on the Japanese concession by armed Chinese police. It is safe to say that this point will never be satisfactorily cleared up.

Whatever may have been the real cause of the first or second outbreak of the disorders, it is worthy of note that the Chinese police displayed unusual courage in defending themselves against the Japanese military. They appear to have held their ground in many instances and to have taken quick and efficient measures to defend the Chinese area against any possible effort on the part of the Japanese to seize the city. They had installed electrified barbed wire entanglements, erected strong sand-bag barricades and taken other measures which would have made it difficult, if not impossible, for the Japanese to have taken the city with the limited force which they had available. Japanese military and consular authorities freely admitted that they had an insufficient military force to make possible the

seizure

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
 Department of State letter, August 10, 1972
 By Milton O. Gustafson NARS, Date 12-18-75

-8-

seizure of the Chinese City, and that at no time did they have the intention of invading and capturing the native city.

EVACUATION OF AMERICANS FROM METHODIST EPISCOPAL MISSION.

Following the outbreak of the disturbances on November 8 most of the Americans connected with the Methodist Episcopal Mission, which is located about 300 yards to the south of the Japanese concession, were evacuated to the British concession. Two American nurses, however, refused to leave the compound. The evacuated Americans, with the exception of Reverend and Mrs. Aeschliman, returned to the mission. When the disturbances were renewed on the evening of Thursday, November 25, there were in the mission the following American citizens: the Misses Jacquet, Prentice, Stahl, Bedell, Battin and Mr. and Mrs. Coole. The severity of the rifle and machine gun fire, to say nothing of the trench mortar fire, on the evening of November 26, much of which took place in the vicinity of the mission compound, made it evident that the lives of these Americans were again being endangered. A survey was made on the following day by Consul Atcheson and Captain Brown of the 15th Infantry with a view to determining the exact situation in the Chinese City and especially in the vicinity of the mission compound, and also to evolve some scheme for the evacuation of the Americans. The result of this survey is set forth in a memorandum dated November 27, prepared by Consul Atcheson, a copy of which is enclosed herewith.

8/

Having been informed that two shrapnel shells had fallen into the mission compound on the night of November

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 Department of State letter, August 10, 1972
 By Milton O. Gustafson NARS, Date 12-18-75

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25, and that many rifle and machine gun bullets had hit the wall of the compound on that night, I informed the Japanese Consul General of this fact on November 27 and stated that there was every reason to believe that at least some of this gun fire was coming from the Japanese lines, and that the lives and property of American citizens were being seriously jeopardized by the action. In informing my Japanese colleague of this fact I suggested to him that he take immediate steps to have the firing towards the mission compound stopped, otherwise some American citizen or citizens might be seriously injured or killed in which case a very awkward situation would arise between the two governments. An effort was made to impress upon him the urgent necessity of discontinuing any operation which might bring about loss of American lives or property. Within an hour or two a staff officer from General Kashii's headquarters, with an English speaking interpreter, arrived to express regret that shots had fallen into the mission compound, and to state that every precaution would be taken to avoid firing in that direction. At the same time he made it plain that if the Japanese were fired on from that direction the fire would be returned. The matter was discussed at considerable length with these two gentlemen with the result that I continued to emphasize that if any harm came to the American citizens or to the American property from Japanese gun fire a situation might arise which would be difficult to adjust under the present circumstances. The two Japanese were further informed that preliminary investigations were being made with a view to finding a means to evacuate the American citizens from the Methodist

Episcopal

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Episcopal Mission. They both agreed that this would be a proper procedure and assured me that the Japanese military authorities would be glad to lend me their cooperation. They suggested that some arrangement be entered into with the Chinese to discontinue firing while the Americans were being evacuated, and stated that if there was no firing on the part of the Chinese there would certainly be none on the part of the Japanese. I informed them that representatives of this office and of the American military forces were then investigating conditions in the Chinese City and that on their return efforts would be made to arrange a modus operandi for bringing the Americans out of the Methodist Mission. Mr. Atcheson and Captain Brown, who were making this investigation did not return until about 4:30 p.m., and in view of the conditions disclosed by their investigation it was considered inadvisable to attempt the evacuation during darkness. In the meantime the Japanese military authorities seemed quite anxious about the situation and telephoned me several times to inquire whether any effort would be made to evacuate the Americans in the late afternoon. The anxiety of the Japanese to have the Americans brought out left with me a distinct impression that they feared further trouble in the vicinity of the mission compound during the night, although they had promised not to fire in that direction if it could possibly be avoided. On Friday night, November 27, a fusillade of rifle and machine gun bullets hit the walls and buildings of the compound and one shrapnel shell fell within the compound, but did no serious damage. Several windows were shattered, however, by this shell and by the rifle fire.

Early

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Early next morning efforts were made by this office to arrange for the evacuation of the Americans and having obtained an undertaking from both the Chinese and the Japanese that no firing would take place while the missionaries were being brought to a place of safety, Consul Atcheson and Captain Brown of the 15th Infantry, accompanied by Captain D. D. Barrett, and Lieutenant C. H. Royce also of the 15th Infantry, proceeded to the mission compound and escorted the missionaries to the British and French concessions. A memorandum dated November 28, 1931, prepared by Consul Atcheson, giving an account of the evacuation, is enclosed herewith.

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In this connection I desire to commend Consul Atcheson for his work in connection with the evacuation of the Americans, and for similar service, assisted by interpreter Franklin J. C. Liu, on November 9, in bringing out two American ladies from the same mission, who desired to leave Tientsin for the United States. A memorandum dated November 9, prepared by Consul Atcheson, is enclosed herewith giving an account of the assistance rendered in this case, together with a memorandum, dated November 12, prepared by Vice Consul Edson giving an account of a trip made by him and interpreter Liu to the mission compound on November 12 for the purpose of escorting to safety two American citizens, Messrs. Aeschliman and Ceole. I desire also to commend Mr. Edson for the work set forth in his memorandum.

On Saturday, November 28, after the rumors became current that the Japanese would bombard the City at 6 p.m., I communicated with American citizens residing at Peiyang

University

Notes on Efficiency Record
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University and in that vicinity and suggested that they come into the concession areas in view of the possibility of further firing during the night. They stated, however, that they were outside the zone of trouble and that owing to illness in their families they preferred to remain in their homes. I replied that while I could not foresee developments during the night and the next few days, if they remained in the Chinese City they would do so at their own risk.

REFUGEE PROBLEM.

After the outbreak of the first disturbances on November 8 an enormous number of Chinese, in the period during which martial law was lifted, moved into the British, French and Italian concessions and into the ex-concession areas. While this movement was large, it did not approximate the tremendous movement of Chinese into these areas after the second outbreak. The fresh disturbances seem to have instilled a fear bordering on panic among the Chinese residing in the Chinese area which was subject to fire. As a consequence many thousands of them have moved into the concession and ex-concession areas. The estimated number of refugees ranges from 50,000 to 100,000. The vast influx is distinctly noticeable in the foreign concessions and in the public parks. For a week this movement has continued 12/ with undiminishing steadiness. There is enclosed, by way of a brief description of this movement, an article from the NORTH CHINA DAILY MAIL (British) of December 4.

In addition to the probability that bad characters and political agitators have found their way into the

foreign

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foreign concessions through this movement, it is undeniable that health conditions in the foreign areas are being seriously threatened by the influx. Many Chinese houses are packed to overflowing and sanitary arrangements are inadequate for such a sudden and large increase of population in the concession areas.

While the exodus has no doubt been largely due to the fear of fresh disturbances, it is also perhaps due to the belief that ordinary police may not be able to protect the residents from so-called plain clothes men or disorders incident to a possible change of government, rumors of which have been current for some time. A natural consequence, however, of many nights of rifle, machine gun and trench mortar firing would be for persons who have been subjected to such dangers within the zone of firing to seek a safe and quiet refuge. A significant phase of this evacuation has been that thus far no visible signs of a return to the Chinese areas have been in evidence.

ABUSE OF AMERICAN FLAG.

An incident occurred in the Japanese concession on November 28 involving an abuse to the American flag. It appears that a Chinese shoemaker who has maintained a shop for several years in the Japanese concession entered the concession about 3 p.m. in a motor car on which he had hoisted an American flag. A Japanese volunteer stopped the motor car, removed the flag, broke its staff and threw it on the ground, informing the Chinese that he had no right to use the American flag. A Japanese gendarme who was near saw this performance, immediately retrieved the flag

and

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- and replaced it on the car, at the same time reprimanding the volunteer for disrespect to the flag. The incident was reported to General Kashii, who sent one of his staff officers, Major Hara, to see me at 6 p.m. on November 28, to explain the circumstances and to express regret that the Japanese volunteer so forgot himself in his zeal to prevent the Chinese shoemaker from abusing the flag that he himself broke the staff and threw the flag to the ground. Major Hara stated that the Japanese volunteer had been severely disciplined and that the Chinese shoemaker
- 13/ would also make apologies. There is enclosed a copy of a letter from the Japanese military headquarters enclosing a signed statement from the Chinese shoemaker. There is
- 14/ enclosed herewith, as of possible interest, an explanation of the incident as given out by the Japanese Information Bureau in its Bulletin No. 51 of November 30, 1931. It is significant that the Japanese military, in their explanatory statement, made no reference whatsoever to the sending of Major Hara to see me to explain the incident and to express regret for the action of the Japanese volunteer as above-stated.

DISRUPTION OF BUSINESS AND RUMOR MONITORING.

The net result of the second outbreak has been decidedly more disastrous than the first. The economic loss to the Chinese business men and also to the Japanese has been enormous. For practically a month business has been at a standstill in the Chinese affected areas and in the Japanese concession. Only ricksha coolies and carriage drivers have benefited since they have been enabled to

read

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reap a harvest from exorbitant fares from an enormous volume of evacuation traffic. Many Japanese engaged in small business enterprises are greatly concerned lest they will be completely ruined financially and while they are cautious in their criticism they feel considerable resentment that the situation should have been allowed to go to the point where it has brought near financial disaster to them.

My conversations with Japanese consular officers have led me to the conclusion that there is not unanimity of opinion between them and the Japanese military. I am certain that the Japanese Consular representatives have a much more conciliatory attitude towards the Chinese than have their military.

It is pertinent to add that many foreign business men are also complaining as regards the prolonged disruption of business in the port, and the difficulty in maintaining their Chinese staffs. The disturbances have been unfortunate in the extreme, not only from the point of view of suffering among the people directly affected, but they have also engendered a spirit of distrust and hatred which perhaps it will take years to remove, and which may yet bring about disorders far more serious even than those which have recently arisen.

Much damage is still being done by the dissemination of false information and propaganda. The prime example of this phase of the local trouble was a report in circulation on November 28, and which has gained wide currency since that time, that the Japanese had purchased one thousand

cases

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cases of kerosene and several hundred head of cattle and that the cattle were to be wrapped with cotton batting and cloth which would be saturated with kerosene and ignited. The cattle in their madness would then be let loose on the Chinese city which, during the stampede, would be destroyed by the flames in short order. Curiously enough, credence was given to this report by well educated Chinese who might normally be expected to view the report as a canard circulated by rumor mongers.

Respectfully yours,

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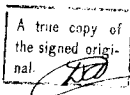
FPL/DA

F. P. Lockhart,
American Consul General.

Enclosures:

- 1/ Bulletin No. 48, Japanese Information Bureau.
- 2/ Letter, dated November 28, 1931, from Commandant, Japanese Forces at Tientsin.
- 3/ Bulletin No. 55, Japanese Information Bureau.
- 4/ Bulletin No. 47, Japanese Information Bureau.
- 5/ Bulletin No. 45, Japanese Information Bureau.
- 6/ Copy of letter from General Kashii to General Wang.
- 7/ Copy of letter from General Wang to General Kashii.
- 8/ Memorandum of Consul Atcheson, November 27.
- 9/ Memorandum of Consul Atcheson, November 28.
- 10/ Memorandum of Consul Atcheson, November 9.
- 11/ Memorandum of Vice Consul Edison, November 12.
- 12/ Excerpt from NORTH CHINA DAILY MAIL of December 4.
- 13/ Letter from Japanese military headquarters enclosing apology of Chinese shoemaker.
- 14/ Bulletin No. 51, Japanese Information Bureau.

Original and 1 copy to Legation.
In quintuplicate to the Department.



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Enclosure No. 1.

JAPANESE INFORMATION BUREAU

TIENTSIN, Nov. 27, 1931.

BULLETIN No. 48.

LAST NIGHT'S HEAVY FIRING -

Sudden Change of the Local Situation owing to Insincerity of Chinese Promises.

A PROCLAMATION.

The following proclamation has been issued by Lt. General K. Kashii, Commanding the Imperial Japanese Army Forces in China:-

"The Japanese Troops accepted the apology of the Chinese Authorities on Nov. 15 and for the sake of peace in North China, the Japanese Troops have taken all the necessary steps for reconciliating purposes. Despite the fact that the Chinese Authorities have not yet carried out all of their promises, the Japanese have permitted them free passage of the Japanese Concession, withdrew their Troops, and disbanded the Japanese Volunteer Corps yesterday November 26, but quite unexpectedly, the Chinese started to fire on the left side of the Japanese positions at 8.20 p.m. and then nearly along the whole line of the Japanese positions by making use of artillery and light and heavy machine guns. The Japanese Troops did not return the fire at first, but immediately demanded from the Chinese Authorities an explanation for their unjustified actions and advised them at the same time to stop firing on the Japanese positions. However, not only did the Chinese not cease to take offensive action against the Japanese positions but they continued to fire still heavier than before. All these actions of the Chinese breach of faith and their outrageousness are too much to tolerate for the Japanese Troops, and the Japanese Troops are now compelled to punish the Chinese by putting into force their right of self-protection for the defence of the Japanese Concession and Japanese residents."

(Signed) K. Kashii.

Tientsin, Nov. 26, 1931.

FORCED TO IMMEDIATE ACTION.

The Japanese Military Authorities reported that when the fighting took place between the Japanese and Chinese Troops, the Headquarters of the Japanese Troops immediately demanded from the Provincial Government and the Headquarters of the 2nd Army of the Chinese North-Eastern Troops, an explanation of the unjustified actions taken by the Chinese armed forces. The Chinese Authorities replied to this inquiry and said that they fired on the Chinese plainclothes men and the bullets which reached the Japanese Concession simply took a wrong direction, etc., etc. But, they promised that they will not fail to stop firing not later than 10.30 p.m.

Midnight

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Midnight arrived, but the Chinese still fired on the Japanese positions by making use of trench-mortars and light and heavy machine guns, resulting in many bullets and shells falling in the Japanese Concession. If they did not fire on the Japanese positions, why did they use trench-mortars and artillery on the plain-clothes men though they have appeared on the roof of some buildings near the border of the Japanese Concession. There is no doubt that the Chinese were firing intentionally on the Japanese Concession. They fired on the Japanese Concession knowing exactly that the bullets thus fired would reach the Japanese Concession. Is this the moral etiquette for the Japanese residents? We are now unable to put any confidence upon their words. Though it is the common characteristic of the Chinese people to lie and bully people, any other nations of the world cannot tolerate this. Many shells fired at the point near the Provincial Government at midnight landed at Sam Pu Kuan, and also the Japanese Barracks.

It was also reported by the Japanese Military Authorities that on November 15, Wang Shu-chang called on the G.O.C. Imperial Japanese Forces in China and when he apologized to General Kashii for what he has done against the Japanese Troops, General Kashii advised him to give strict orders to his men not to fire on the Japanese positions and the Japanese Concession as well for any reason whatever in the future, as it was certain that the Japanese Troops, having patience with on the several instances of Chinese outrageous conduct, have prevented heretofore any serious clash between the Japanese and Chinese Troops. General Kashii also told him that nobody can be sure when the Japanese units on the front who have been very indignant of the Chinese hostile attitude might lose their patience by any further provocative action on the part of the Chinese armed force. Wang Shu-chang accepted this and he pledged to comply with the Japanese demand, but on November 26, at 8 p.m., the Chinese turned out all lights in the ex-Austrian Concession, now a portion of the Chinese city, and at 8.20 p.m., they started to fire on the Japanese positions. This proves quite obviously that all these actions of the Chinese have been an intentional attack against the Japanese Troops and the Japanese Troops are now unable to accept the repeated pretexts that the Chinese simply fired on the Chinese plain-clothes men but not on the Japanese positions, and especially have they no excuse for having used artillery in firing against the Japanese positions under the pretext that they fired on the Chinese plain-clothes men.

Enclosure No. 2.

HEADQUARTERS,
IMPERIAL JAPANESE FORCES IN CHINA,
TIENTSIN.

Tientsin, November 28th, 1931.

Sir:

With reference to my letter under the same cover, I beg to add that it does not mean any change of the attitude of the Japanese Troops under the present disturbances, who, however, maintain always the same attitude as so stated on the several occasions, and accordingly they do not intend to act beyond their fundamental principle of self-defence.

But, taking into consideration of the unreliable attitude of the Chinese authorities, the Japanese authorities can not help but to expect that they will probably be compelled to enforce their proper right of self-defence against the Chinese authorities whose repeated promises have never been satisfactorily fulfilled.

I have the honor to be,

Sir,

Your obedient servant,

(Signed) K. Kashii,

K. Kashii,
Lieutenant General,
Cmdg. I. J. Forces in China,
Tientsin.

American Consul-General,
Tientsin.

HEADQUARTERS,
IMPERIAL JAPANESE ARMY FORCES IN CHINA,
TIENTSIN.

Tientsin, November 28th, 1931.

Sir,

I have the honor to inform you that the local Sino-Japanese clash which took place on and after the 26th November, 1931, was caused by the unjustified and provocative firing of the Chinese military authorities against the Japanese Troops.

The Japanese Concession which is closely inhabited by several thousands of the Japanese subject who are non-combatants, was made the target of the Chinese firing, without any previous notice, in making use of rifles and guns. The Chinese continued to fire during the nights from many points and in every possible ways.

Though it was the natural right of the Japanese Troops to return fire, as a means of self-protection, to the provocative action of the part of the Chinese, the Japanese Troops have been always taken negative action, exclusively for the protection of the Japanese residents and they have never opened fire prior to the Chinese firing.

However, despite the repeated promises to stop firing, the Chinese not only continued to fire on the Japanese positions, but they declined to express any sincerity to the demands which were proposed by the Japanese Troops in order to prevent any further occurrence of a Sino-Japanese clash.

On the several occasions, the Chinese continued to take unjustified action. On November 28th, at about 2 p.m., for instance, two shells of trench-mortars fired by the Chinese at Hopei reached just in front of the Japanese position near the Chinese Telephone Administration Office on the Bund, which action conclusively proves that the Chinese fired on the Japanese with their guns. Another example of the Chinese intentionally firing on our position was reported to-day November 28th as follows: in the morning, a Chinese armed police in uniform fired incessantly on the Japanese, exposing himself half way out of the window of a house, in order to take a good aim, located about 400 metres facing the Japanese position at Sakae Road. This is positive proof of the Chinese firing aiming at the Japanese Troops and not at the plain-clothes men of their own nationality.

Furthermore, four shells fell just before the Japanese position near the South Gate Street on November 28th, at 2 p.m. In fact, the Chinese promises have never been fulfilled and

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in all these instances they took the initiative quite suddenly and fired on the Japanese positions. As to the instances of the Chinese firing with rifles and light and heavy machine guns they are too numerous to count. Such being the circumstance, the Chinese should be held responsible for all the consequences resulting from the present disturbances.

The greatest care has always been, and always will be taken, by the Japanese Troops for the protection of foreign nationals and their interests, and also they have the warmest sympathy in behalf of those who are suffering from the great unrest since the outbreak of the local disturbances. Special attention has been paid by the Japanese Troops to the native city where the actual disorders are taking place and various foreign interests and foreign nationals exist.

Therefore, the Japanese Troops have been taking every care to avoid any mishap to these foreign interests and lives but the actual situation is such that the Chinese armed forces are continuing to take provocative actions against the Japanese Troops from the points or positions which were newly established by them near the foreign interests in the native city.

The Japanese Troops, though they want to act immediately upon their legal rights for the purpose of self-protection, hereby request that you will order your nationals who are living in the native city to evacuate such dangerous zone not later than 6 p.m. to-day, as the Japanese Troops who always respect the foreign interests will refrain from opening fire before dusk unless some special reasons compel them to do so. Otherwise, if the Chinese start to act and open fire on the Japanese position, without paying any attention to the foreign interests, the Japanese Troops do not know when they are compelled to return fire for the enforcement of their legal right, for which we hope you will note that the Chinese only must be held responsible under the uncontrollable circumstances outlined.

I have the honour etc.,

(Signed) K. Kashi Lt.General.

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Enclosure No. 3

Excerpt from Japanese Information Bureau
Bulletin No. 55, December 4, 1931.

The Japanese positions established on the Concession border, especially that which is located at the north end of Asahi Road, have been visited several times by the Europeans and Americans mostly day time when no firing was heard. Undoubtedly, some of these visitors came to see our positions or soldiers to satisfy their own curiosity but, most of them, while they were standing at the point and watching the Japanese soldiers working day and night for the defence of their Concession and their compatriots without having any sound sleep or the heat to keep their shelters warm enough, seemed to have been greatly impressed on this striking scene. According to the statement made by the Japanese officer commanding the above position, some of them visitors made their second or third visit and they often approached him to talk over the situation or asked him to accept the presents which they wished to be distributed among the Japanese soldiers under his command.

Almost each one of the Westerners who are living in China seems to have an experience, more or less bitter, either on official business or in private life, of the chaotic condition of this country and her people. China has never been united nor well administered for the last twenty years and the great unrest which prevails incessantly somewhere within her border not only affected official or private life of the foreigners who, according to the treaty rights should be fully protected, happened to live in the disturbed area but also they were often compelled to remain in such area as above mentioned at the risk of their lives.

Those who have visited the Japanese positions seemed to have strengthened their belief to the effect that the full defence of the Japanese Concession, locating itself between the native city and the other foreign and ex-foreign Concessions where they are living, is the most important thing to keep all the foreign Concessions in Tientsin quiet and peaceful. The sympathetic attitude of these visitors towards the Japanese troops has been very much appreciated by the local Japanese nationals and they are now hoping that the situation will soon be ameliorated to such an extent that the Japanese guards are no more required on their Concession border.

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Enclosure No. 4.

Excerpt from Japanese Information Bureau
Bulletin No.47 dated November 26, 1931.

JAPANESE VOLUNTEER CORPS DISBANDED

Since the outbreak of local disturbances, about 460 local Japanese residents responded to the call for volunteers to assist the local military garrison in the protection of the Japanese Concession. Most of them have been on active volunteer duties for nearly two weeks since 8 November and not only the military authorities, but the whole Japanese community, have been appreciative of their patriotic activities. When the local situation became a little quiet, 150 remained, whilst the others were disbanded. These remaining volunteers have now received instructions from the military authorities to disband, and a happy little ceremony in this connection will take place to-day in the Japanese Park when the Officer Commanding the Japanese Forces in North China, will address them.

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Enclosure No. 5

Japanese Information Bureau Bulletin No. 45

JAPANESE WISH TO RESTORE NORMALITY AS EARLY AS POSSIBLE

Tientsin, Nov. 23

According to information from the Japanese military authorities, it was learned that the clearing work of military constructions in the 300 metres zone, has not shown any improvement during the past few days. The Chinese authorities on the ground of the uncertainty of the local situation, especially under the pretext of the occasional appearance of plain clothes men in or near the Native City, do not wish to remove the obstacles immediately as agreed. The obstacles were once removed on the main street, but in the Tung Mo Lu on Friday, it was again barricaded owing to the appearance of plain clothes men somewhere in the native city, though it was unconfirmed by Japanese authorities that any plain clothes men had appeared or not. In the native city behind the 300 metres from the Japanese boundary, the Chinese still maintain military constructions facing the Japanese Concession which they refuse to remove under the present circumstances. As to the withdrawal of Chinese troops 20 li outside the native city, the Japanese authorities have not yet been informed of the partial or complete removal, yet. On the other hand, it is reported there is a large number of Chinese regular soldiers still remaining in the native city, some being very close to the Japanese Concession disguised as common citizens or police. Under these circumstances, it is absolutely impossible to withdraw the positions on the Japanese boundary in spite of the traffic already being open between the French Concession and the main street of the Japanese Concession.

Many shops in the Japanese Concession, both Chinese and Japanese, have re-opened, and Japanese schools will shortly be reopened, but general improvement will not be restored until the Chinese authorities carry out their agreed promises and all the obstacles in the native city have been demolished completely.

The Japanese authorities are anxious to restore normality at the soonest possible moment for the sake of the commercial life of the city, but the progress hoped for has not eventuated according to agreement with the Chinese, so that the matter rests entirely with the Chinese side to bring about normality.

Enclosure No. 6

To General Wang Shu-chang:-

I have to inform you that despite the fact that on November 15th you personally expressed to me your sincere apology for the offensive actions taken by the Chinese armed forces under your command against the Japanese Troops, the Chinese troops and the Chinese armed police again opened fire suddenly on the Japanese Troops, and the Japanese Concession, on the night of November 26th and that you are still unable to stop their firing even to-day the 27th of November. We consider this to be an offensive action taken by the Chinese against the Japanese Troops, and also an entire lack of sincerity on your part.

Therefore, for the sake of the maintainance of peace between Japan and China, I, the G.O. Commanding the Imperial Japanese Army Forces in China, claim that you should immediately enforce the following conditions not later than noon to-day November 27th and send me an answer thereto:-

1. - To stop the offensive action immediately.
2. - To ensure the enforcement of the withdrawal of the Chinese troops 20 li outside the zone where the Foreign Contingents are actually stationed.
3. - To withdraw the Chinese armed police north of the canal connecting the South Canal, Yamen Bridge and Chiang-Tze.
4. - To stop the movements of the Chinese troops (both armed and in plain clothes) in Hopei Province.
5. - To effectively control all kinds of anti-Japanese movement.

(Signed) General K. Kashii.

Enclosure No. 7

Excerpt from Japanese Information Bureau
Bulletin No. 50, November 28, 1931.

GENERAL WANG'S REPLY TO GENERAL KASHII

General Wang Shu-chang's answer to the communication of Lt. General Kashii, O.C. Japanese Forces in China, enent Thursday nights outburst, is as follows:

1. - The Chinese authorities are working simply to protect the native city from invasion by plainclothesmen in order to keep peace and order on Chinese territory in Tientsin, but as we have already declared several times, no hostile actions against Japanese have been taken by us. With a full understanding of the Sino Japanese friendship we must endeavour to stop any further actions and keep away from any misunderstandings between the two parties.

2.- The Chinese authorities being fully respectful of the principle laid down in the Protocol of 1902, have already withdrawn the Chinese troops, comparatively small in number, formerly stationed in Tientsin Native City, 20 li outside, temporarily, of which we have already notified the Japanese Consul General of Tientsin.

3.- The armed police force of the Native City are responsible for the maintenance of peace and order and at present we have disturbances caused by the plain clothes men, therefore, if we have to withdraw the armed Chinese police force as requested, there will be no proper measures by which we can protect the people, both Chinese and foreign, who are living in such areas where no Chinese armed police remain. We have a difficulty in this direction, which we hope you will understand, but if we are able to find any steps which might be arranged with other foreign countries in order to maintain peace and order in the native city, this question discussed in your paragraph 3, may be reconsidered.

4.- As already stated above with regard to the Chinese troops stationed within 20 li, we have already shown our sincerity. The Chinese troops which are stationed outside the 20 li, are under the control of the Chinese Government and therefore I hope you will understand it is difficult to deal with them.

5.- With regard to the anti-Japanese activities, I should say I have already taken steps to control this, and will also pay more attention to this matter.

Enclosure No. 8.

**Investigation of Damage Caused
by Japanese Shells in Chinese City**

November 27, 1931.

In response to the request of the Mayor that an investigation be made of the alleged damage to the Provincial Government Headquarters and the Telephone Administration buildings by Japanese shells last night, Captain L. W. Brown, Intelligence Officer, U. S. Army Troops in China, Mr. F. J. C. Liu, Interpreter to the Consulate General, and I, proceeded to the Bureau of Public Safety shortly after two p.m. with Mr. Gerald Kwan-Rue Chang, Secretary to the Mayor who had brought the Mayor's car for us. At the Bureau the Chinese officials insisted that we make our tour in an armored car, due to the disturbed condition of the city, and while waiting for one to be prepared, we were shown several pieces of shrapnel shells and bullets that had been picked up in various places since the bombardment of the night before. One large fragment was identified by Captain Brown, an experienced officer with 15 years service, as part of a 105 mm. shell and one fragment also as part of a 2.8 mountain gun shell.

The armored car was a Willys-Knight truck with a low box-like body of steel almost a quarter of an inch thick, completely covered except for the lower third of the wheels, and pierced for firing with shuttered apertures. In addition to the chauffeur there were seven armed police in the car, two of whom (one at the front and one at the rear) carried Thompson machine rifles and in addition to Mr. Chang we were accompanied by Mr. Hsieh Ju-ch'uan, Chief of the Secret Service.

We proceeded

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We proceeded first to Tung Ma Lu and alighted at the big barricade across that street facing the main entrance to the Japanese Concession (Asahi Road). There we were shown an unexploded rifle grenade bearing the usual Japanese mark of manufacture (13th Year of Taching 大正十三年) and a fragment of shrapnel shell (apparently a 75). There was a large splotch of dried blood, an empty shoe, and a torn jacket on the ground near us behind the barricade. The Chinese officials and police on duty stated that earlier in the morning one policeman had been killed there and another had suffered amputation of both feet by shell fragment. Captain Brown stated that it was quite possible for a piece of shell to work that much havoc.

Thence, by the armored car, we turned into Tung Men Ta Chieh through the Drum Tower (the center of the old walled city), going into Nan Men Ta Chieh and turning east. The streets were practically deserted except for groups of policemen at barricades and a very few Chinese standing in the doorways of shops and dwellings. Most houses and places of business were closed and shuttered.

We stopped at Jung Yeh Ta Chieh, alighted again, and were shown into the courtyard of the home of a poor working family. The police pointed out damage to one roof and to paper windows which it was alleged had been made by a shell coming from the Japanese Concession. Inasmuch as the Japanese had admitted shelling the city, there seemed no reason to doubt the statement, particularly since the damage indicated that some missile had come from the
direction

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direction of the Japanese lines, scraped the eave of one house and scattered into another building a few feet away. Otherwise the damage might have been caused by a fragment from a shell exploding above the courtyard, and discharged from any direction, since dispersion of fragments would not necessarily be confined to particular directions.

We then reentered the car and proceeded to Ch'ing Ho Ta Chieh, having heard but two or three shots during this time, and looked with field glasses at the nearest Japanese position some 200 yards to the east. The Chinese police stated that the Japanese barricade was some 150 yards in advance of the Japanese Concession boundary, but the incompleteness of our maps and unfamiliarity with the buildings and land marks made it impossible to confirm this.

Subsequently we returned to Nan Ma Lu, turning south to the South Gate and thence proceeded on foot to Nan Kuan Ta Chieh, a wide street running north and south past the American Methodist Mission compound. We had asked particularly to be taken here in the hope that an observation might assist in devising some practicable means of evacuating the American members of the mission, two shells having been reported by them to have fallen into the compound during the previous night. The Chinese barricade did not extend all the way across the street, the center section being lacking, and we were informed that this was the work of a Japanese field gun although we saw no other evidence of shell fire, and the Chinese police on duty there stated that every effort to repair the breach was stopped by machine gun fire from the Japanese position some 800 yards south on the same street. We were asked to cross

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to cross to the west side of Han Kuan Ta Chieh for observation purposes, crouching first behind the sheltered portion and running past the breach. We did so, drawing rifle fire which the police stated was from plainclothesmen on roofs opposite the Methodist Mission on the west side of the street, and others in a vacant building on the east side of the street just north of the mission compound. I talked with several of the police on duty and they all claimed to have seen the plainclothesmen. It was Captain Brown's opinion that the fire we had drawn came from a point between 150 and 200 yards away, which would be near the mission, and that the shots, by their sound, could not have been fired from the Japanese barricade. The Chinese fired but one shot while we were there; one policeman stationed at an aperture in the sandbags with a rifle pulled his trigger without any attempt at taking aim. The bullet might have landed in the mission compound, struck a building on either side of the street, or reached the Japanese barricade. It seemed typical of Pao An Tsei methods. Two police, we were informed, had been wounded here during the night and one of them had died.

We ran back across the breach safely, returned to the armored car and proceeded back through the Drum Tower, thence along Pei Men Ta Chieh to Pei Ma Lu and east across the Viceroy's Bridge to the Headquarters of the Provincial Government. Contrary to previous reports, it was now learned

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learned that no shells had actually struck the yamen. By conversation with police, with an officer of the bodyguard of the Chairman of the Provincial Government, and with General Tang's Chief of Staff, Liu Chia-luan (劉家驊), it was learned that some 12 shells had fallen in the vicinity of the Government Headquarters, two or three landing in the river, others exploding before and to the rear of the Government buildings, and one striking a building across Fung Ma Lu. We inspected this building, a two storied structure built for very small shops with dwelling quarters above. The shell had apparently fallen across the narrow second story porch and through the roof of a small room in a tea shop. It was Captain Brown's opinion that the shell must have been defective, for there was no appearance of any damage in the room itself, which was not larger than twelve by six feet. Inside the yamen we were greeted by the Chief of Staff and shown fragments of shells which Captain Brown identified as shrapnel, 112 mm. and 75 mm. Captain Brown gave the opinion to me privately that high explosive shells and not shrapnel would have been used had it been the purpose of the Japanese to destroy the buildings; shrapnel, he said, were usually timed to explode in the air, the contained bullets then dispersing over a radius of some

30 or 40

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30 or 40 yards with a view to killing persons rather than wrecking buildings. It occurred to me as possible that the Japanese had thrown shells at or near the yamen for the purpose of demonstrating to the Chinese their ability to reach it, as a preliminary to the five demands which the Japanese had made that morning, one of which was that the Pao An Tsei (Defense Maintenance Corps) or armed police be withdrawn to the section of the city known as Hopei north and west of the Hai River.

We now proceeded in the armored car along the Chinese bund to the Bureau of Public Safety and thence on foot through back alleys, the exposed portions of which were protected with barricades, to the Fifth Sub-Police Station adjacent to the Telephone Administration building which the Chinese authorities had reported that morning as having been damaged by shell fire. In a rear courtyard of the police station we were shown a hole in the roof of an entrance archway and a shell fragment which Captain Brown stated he thought was part of a shell percussion cap. There was, however, no mark upon the bricks below and no other fragments were shown us. The police at this station stated that the Italian forces had also fired across the river, but this very doubtful statement was not confirmed. (It was later categorically denied by the Italian Commandant). Both the Bureau of Public Safety officials and the police there said that

the Telephone

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the Telephone Administration building had not been damaged and we therefore did not examine it. We returned then to the Bureau of Public Safety, and came back to the Consulate General in the Mayor's car at about 8:20 p.m.

Throughout our journey the statements of police and officials as to the actual number of casualties during the night agreed that five police or Pao An Twei had been killed and six wounded. Similar information placed the number of shells falling or exploding in the native city as between forty or fifty.

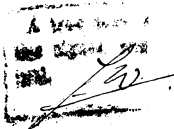
I have shown a draft of this memorandum to Captain Brown and Interpreter Liu and received their concurrence to it.

George Atcheson, Jr.,
American Consul.

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GA:W

Copy to Captain L. W. Brown,
American Barracks.



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 Department of State letter, August 10, 1972
 By Milton O. Gustafson NARS, Date 12-18-75

Enclosure No. 9.

**Evacuation of American Members of
 Methodist Episcopal Mission, South Gate.**

November 28, 1931.

Mr. Doole of the Methodist Mission telephoned at 9 a.m. to say that another shell had exploded in his compound (yesterday he reported that two shells had fallen there the previous night), and that fighting nearby and along Nan Kuan Ta Chieh on which the mission faces had been very heavy all night and was still continuing hotly. He made an urgent appeal that we evacuate the American members, seven women and himself, namely, Mrs. Doole and the Misses Jacquet, Stahl, Rattin, Rentice, and Redell. I told him I would consult with the Consul General and assured him that we would attempt to reach his mission either through the Japanese or Chinese lines, adding that yesterday Captain L. W. Brown of the 15th Infantry and I had reached the last Chinese barricade north of South Gate in an armored car in an effort to devise practicable means of getting the missionaries out, but when running across Nan Kuan Ta Chieh, we had been fired upon by plainclothesmen from roofs opposite the mission to the west and in an empty building just north of the mission. It seemed foolhardy to penetrate that street either from the Chinese or Japanese position some 800 yards to the north and that while the two of us might be able to sneak along the side, using telephone poles and doorways for occasional cover, a party of nine would be exposed to considerable danger. I enquired as to the back streets, and he said that we might possibly proceed from the Chinese barricades on Nanmalu, north along Kwang Hing Ta Chieh to an alleyway, Jung Nan, east-west between the two mission compounds, although that backyard section

was a

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was notorious for ruffians and bad characters. I told him to be prepared to leave at any time.

Arrangements were then made with the Bureau of Public Safety and the Japanese Military Headquarters that we proceed in Chinese armored cars bearing American flags to the Chinese barricade nearest the mission on the north east and thence on foot, the Japanese authorities to issue orders, upon prior notice by telephone, to their positions not to fire. Captain Brown suggested it might be useful for one U. S. Army official car to precede the armored cars and discussed this suggestion by telephone with Colonel Brysdale, temporarily in command, who stated that he feared the use of an official car might involve the American Government. I saw no objection on that score but told Colonel Brysdale that, in the absence of the Consul General (who was at a Consular body meeting), I would not officially request a car because of the risk to the driver who would be entirely exposed. Colonel Brysdale replied that he preferred not to send one unless I thought it extremely urgent; I said that I did not, merely that the Chinese considered there would be less danger of attack from plainclothesmen or Japanese since both would be suspicious of Chinese armored cars bearing American flags.

It was by then 11:30; I was unable to reach the Japanese Headquarters by telephone and therefore telephoned to the Japanese Consul General, asking him to inform his military that we planned to leave at 12 noon and to give us at least two hours. He then went to the Bureau of Public Safety, accompanied voluntarily by Interpreter Liu and Mr. E. J. Aeshelmen of the M. E. Mission who had been in foreign areas for several days. There we encountered a very peculiar situation. Yesterday, when the Chinese had asked us to
 tour the

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tour the city in an armored car to see the damage allegedly worked by Japanese shells, they had been most anxious to take us everywhere, whether dangerous or not, and had made generous offers of assisting in evacuating the missionaries. Today, Mr. Shen stated that no armored cars were available, although we had seen two in the courtyard and it was evident that the Chinese were very reluctant to go through with the arrangement, ostensibly for fear of Japanese fire. I telephoned to Mr. Kuwashima, the Japanese Consul General, to see if he had actually made arrangements with the Japanese military. The connection was extremely poor but I caught a statement to the effect that the Chinese were taking advantage of our expedition to strengthen their positions and he requested that I ask them to stop this work. In view of this and the attitude of the Chinese, which gave both Captain Brown and me a sense of some very peculiar and incomprehensible background, I told Mr. Shen that we would confirm the Japanese promise face to face and return in an hour. He agreed then that two armored cars would be ready for us. At the Japanese Consulate General Mr. Kuwashima said the Chinese had built new barricades south of the mission. This seemed incredible, for if their front line had been extended beyond the mission, which was situated in the 300 meter zone, it would be a simple matter to remove the Americans back into the Chinese city. We went then to the Japanese Headquarters where we found Mr. Nakagawa, the interpreter, and Major N. Hara, Intelligence Officer, discussing a map with Captain D. D. Barrett and Lieutenant C. H. Royce of the 15th Infantry, U.S.A. The former said that the Japanese would commence a heavy bombardment at 6 p.m., and that the Consuls had been advised to remove all their nationals from the native city.

With Major

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With Major Hara we climbed to the roof of a building across the street which was used as an observation point. We could see the roofs of the mission, and a Chinese police station several blocks to the west and a little south of the mission. From there we went to the Japanese barricade and looked north down Nan Kuan Ta Chieh, which passes in front of the mission, to the Chinese barricade some eight hundred yards away, where Captain Brown, Mr. Liu and I had drawn fire yesterday. A Japanese soldier, according to Major Hara, had been wounded where we stood earlier in the day and some of the sandbags were splashed with blood. After consulting with Captain Brown, I decided not to return to the Bureau of Public Safety (it was already near 3 p.m.) and suffer possible further delays; it seemed imperative, in view of the proposed bombardment, that we make an attempt as soon as possible to bring out the Americans. Major Hara said there were no means of notifying the Chinese police station above mentioned, which commanded a cross street, and that, if the Chinese at the position on Nan Kuan Ta Chieh did not fire, our chief danger lay in crossing that street. The Bureau of Public Safety could not be reached by telephone and I telephoned to the Consul General to report and ask that he make an attempt to reach Mr. Shen. Meanwhile, Major Hara had managed to telephone to the Commissioner of the Second Area who called Mr. Shen to his office, and Mr. Shen stated he would notify the Chinese position by telephone in fifteen minutes, if the telephone was working but could not notify the police station; he advised against the attempt.

This was

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This was not reassuring, but it seemed best not to delay. Captain Barrett and Lieutenant Royce volunteered to accompany us and we passed through the Japanese entanglements at 3 p.m., the two officers mentioned carrying the two American flags we had brought from the Consulate General.

We heard some firing on our journey, but it was not very close to us. About half way (the distance to the mission compound gate was equivalent to about three city blocks) we passed the body of a Chinese, who had apparently been killed during the night. A shot had entered his right eye and his clothes were partly torn from him, presumably in the death agony.

Arriving at the compound, we found that the missionary ladies were not yet packed, and I had considerable difficulty with Miss Battin, who stated that she would not depart unless we took with us the 15 Chinese women nurses. I finally persuaded her, by a promise to ask the Chinese authorities to permit the nurses to pass the Chinese lines, to join us. After almost half an hour's wait and slightly after 3:30 p.m. (Major Hara had informed me that instructions had been given all Japanese positions not to fire until 3:30) we started the return; the officers, Messrs. Coole and Aeshelman and I carried the hand baggage, including Mrs. Coole's Underwood typewriter. When we arrived at the Japanese barricade Miss Battin (we were still before the entanglements and exposed) halted to ask Major Hara, who had come forward to meet us, if he would admit the Chinese nurses through his lines. I persuaded her that this was no place for a conference, and we passed through the entanglements and around the corner. Major Hara consented to her request. Mr. Coole and Mr. Aeshelman returned carrying the flags for their own protection

and

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and escorted the nurses out safely. The American women and their baggage were then transported to the French Concession in two American Army cars. I thanked Major Hara for his courtesy and we departed about 4:20.

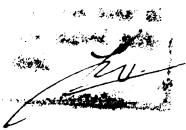
I may add that I much appreciated the cooperation of Captains Brown and Barrett and Lt. Royce. Captain Brown participated in the arrangements and his counsel and sound judgment were most valuable. Interpreter Liu conducted himself in a very commendable manner, as he had previously when he and I went to the Methodist Mission to bring out the Misses Melinger and Cavett on November 11, and yesterday when he was exposed to rifle fire directed at us while we were on foot on Nan Kuan Te Chieh, north of the mission.

George Atcheson, Jr.,
American Consul.

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GA:l

Copy to Captain L. W. Brown,
American Barracks.



Enclosure No. 10.

**Evacuation of Two American Women from
the Methodist Episcopal Mission,
South Gate, Native City.**

November 9, 1931.

Mr. Aeschliman of the Methodist Mission, which is outside the Japanese Concession and at the Chinese border of the 300 meter zone, telephoned a little before noon to report that firing had been particularly heavy in that area just after the trouble started last night, and was continuing. Two American women of the mission, he stated, were anxious to leave in order to catch a boat for Japan to make connections there on a steamer sailing to the United States; they were somewhat frightened, and he asked if means could be devised to bring them out. I told him I would consult with the Consul General and see if an attempt could be made. I also advised him strongly to warn all members of the mission (there were 14 American women and children there in addition to himself and Mr. Coole) to remain in their quarters away from windows and open doors.

At 2 p.m. Mr. F. J. C. Liu and I, with the permission of Consul General Lockhart, proceeded in my motor to the Japanese Concession. The car bore an American flag. We were passed into the Japanese area through the French Concession without difficulty except in making sharp turns necessary to wind through the double line of barbed wire entanglements. There was practically no traffic in the Concession, all shops and buildings were closed and shuttered, and troops patrolled the streets and reinforced, or kept an eye on, the regular police who, except for inspectors, are Chinese. Military patrols were passing to and fro and all soldiers seemed to be in full fighting equipment with steel helmets, rifles and fixed bayonets. Many corners had been barricaded with sand bags and barbed wire, a number of the smaller streets or alleyways were completely closed and all along Asahi Road sections of barbed wire entanglements lay by the sidewalks in readiness to be thrown across the street.

Although we were stopped several times by both soldiers and police, we were permitted to pass on the strength of my official cards until we reached a point on Fukushima Road within two or three blocks of the Japanese Barracks. Here we were stopped by soldiers and two police inspectors who spoke Chinese. Mr. Liu, as a matter of courtesy, alighted from the car to explain our desire to one inspector; he was immediately searched by two soldiers, although not roughly handled, and a personal letter in Chinese which he had in his pocket was read. We were advised to go to the Japanese Consulate General, which we did. There Mr. Kuwashima, the Japanese Consul General, gave us a police pass to proceed anywhere in the Concession and particularly through outer defenses near the Barracks on the road leading to the Methodist Mission. Arriving at that position we listened for some time to rifle fire which seemed to be coming from the west and southwest.

Barbed

1868

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Barbed wire entanglements were strung across Nan Kuan Ta Chieh leading northward to the mission, and a sand bag barricade, some ten or twelve feet high, had been erected facing west and southwest. The bags were all new, were reinforced with bricks, with firing apertures framed in new bricks, and the whole defense seemed to me an admirable piece of work to have been constructed so quickly. The soldiers on duty were not answering the fire and, except for observers on a nearby roof in Chinese territory, gave little attention to it. We had to leave the motor car there, since it could not pass the entanglements, and proceeded down Nan Kuan Ta Chieh toward the mission on foot, keeping as much as possible in line with cement telephone and light posts. Firing nearby continued during the journey and we heard one bullet hit a doorway just after we had passed it. Behind one strip of fencing some eight feet high, we could hear someone firing a rifle regularly, whether police, plainclothesman or Japanese we could not tell, the fire being directed apparently toward the southwest which would indicate that he was not shooting at the Japanese position.

The Mission compound is some 300 yards north of the Japanese position, and the Chinese have made a small barricade about 400 yards farther on.

Arriving at the mission, we waited a few moments for the two ladies (the Misses Melinger and Caveit), and started with them and Miss Badell on the return with their four suitcases. We made the journey without incident, the firing had ameliorated somewhat and the only shot that seemed to come near us struck a building a few yards past a cross street leading to the Chinese sub-police station in that area.

We arrived safely at the Japanese position, were passed through, and took the three ladies to the office of Thomas Cook and Son in the British Concession, returning to the Consulate General about 4 p.m.

(Signed) GEORGE ATCHESON, JR.

George Atcheson, Jr.,
 American Consul.

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[Handwritten signature]

Enclosure No. 11.

November 12, 1931.

MEMORANDUM

On the morning of November 11, Mr. Atcheson informed me that he had been requested, on November 10th, by Mr. Coole of the Methodist Mission to obtain passes for himself and Mr. Aeschliman so that they could pass through the Japanese lines into the British Concession. He stated that Mr. McGowan, of the American Chinese Company, also wished passes to enable the family of his Chinese compradore, resident in the Japanese Concession, to evacuate to the British Concession. Mr. Atcheson requested me to make the necessary arrangements.

I telephoned to Consul Tajiri, who stated that he would be glad to assist the Consulate General as much as possible, and then proceeded, with Mr. Liu and Mr. McGowan, to the Japanese Concession. We were met at the barricade at the French-Japanese boundary, on Asahi Road, by a Japanese officer despatched by the Japanese Consulate General, who escorted us to the Japanese Consulate General. Mr. Tajiri issued four passes in blank to Mr. McGowan for the use of his compradore's family, and Mr. McGowan then departed. Mr. Tajiri then issued two special passes under his own seal for Messrs. Aeschliman and Coole. Mr. Liu attempted to telephone to the Methodist Mission but was unable to make connection. I inquired if Mr. Tajiri would have any objection to my delivering the passes in person, and he replied that while we could be escorted only as far as the Japanese boundary, and while the Japanese authorities could assume no responsibility for us in view of the activity of plain-clothes men in that vicinity, he would be glad to make arrangements for us to pass through the Japanese lines although I would not be able to drive my car through the barricade. He stated that while there had been a rather heavy firing in that area during the night, it seemed to be quiet at that time.

Mr. Tajiri then summoned an officer and gave him instructions, informing us that the officer would accompany us as far as the boundary. Mr. Liu, the officer and I then proceeded to Fukushima Road, and after some delay while the officer disappeared, probably to inform the military authorities of the arrangement (the officer spoke neither English nor Chinese) we proceeded to the end of Fukushima Road, near the Japanese barracks, where I parked the car, near the barricade. The barricade consisted of two machine gun emplacements, at the end of Nan Kwan Ta Chieh, protected by sandbags, and a double line of barbed wire across the Nan Kwan Ta Chieh some fifty yards north of the machine gun emplacements.

After the officer who had accompanied us had explained the situation to the officer in charge of the post, Mr. Liu and I walked north along the Nan Kwan Ta Chieh to the Mission some 300 yards from the Japanese lines. We saw no armed persons or uniformed Chinese in the area at any time, although we heard about five rifle shots in adjacent hutongs during the course of our trip. The Chinese barricades could be seen from the Mission, approximately 300 yards to the north.

On arriving

- 2 -

On arriving at the Mission, I delivered the passes to Messrs. Aeschliman and Coole, and suggested that they accompany me back to the British Concession so that the Japanese officer could identify them on future trips. They stated that they would be ready in a few minutes and while Mr. Coole disappeared I inquired concerning recent events. Mr. Aeschliman stated that the firing in that area had been very heavy during the night, some bullets striking the upper stories of some of the buildings, but that they had slept on the lower floors of the building and that on one had been injured. Mrs. Aeschliman stated that they did not wish to evacuate unless it was absolutely necessary and unless the Chinese students could also be evacuated. Mr. Aeschliman stated that he had seen no dead bodies or injured persons that morning, and expressed the belief that the firing was a demonstration - perhaps an effort on the part of Chinese police to intimidate the plain clothes men in the rear, or to intimidate the students in Nankai who had threatened to start a student movement of some kind.

Finally Mr. Coole reappeared, explaining that he had deemed it appropriate to shave before going to the British Concession, and Mr. Aeschliman, Mr. Coole, Mr. Liu and I returned to the Japanese lines and drove thence to the Japanese Consulate General, where after some delay Mr. Liu obtained passes to enable his family to evacuate from the Japanese Concession.

I then returned to the British Concession with the party, and suggested that Mr. Aeschliman call at the Consulate General to confer with Mr. Lockhart.

(Signed) ANDREW W. EDSON

Andrew W. Edson
American Vice Consul.

AWF:1



1871

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Department of State letter, August 10, 1972
By Milton O. Lustig NARS, Date 12-18-75

Enclosure No. 12.

Extract from NORTH CHINA DAILY MAIL,

December 4, 1931.

For nearly one month now, one of the amazing features of the outbreak -- so far as Tientsin's experience is concerned, has been the movements of the city masses, a big number of whom have passed into, and through, the foreign concessions. This movement was accelerated from Friday last, and a visit to the city revealed it was just one moving mass of humanity, moving hither and thither, with faces the countenance of which only too truly reflected fear. One conceived an impression of a state of panic, and in addition to thousands being overburdened with their belongings, both young and old, males and females every kind of vehicle from motor to the humble barrow was brought into service in a frantic effort to get on the move. Fear is a terrible thing when it grips, and Tientsin has this time experienced something different, and an over-confidence in the local authorities to deal and control such a situation. One local resident whose intelligence we respect, computes there are 25,000 more souls in the British Area, than one month ago. This seems incredible, and yet with the constant daily stream of people entering the concessions from morning till evening, the aggregate must be several scores of thousands. It is further estimated that some 350,000 to 400,000 of the city inhabitants were on the move, and these figures seem to supply an answer to the constant question on all lips "I wonder where these masses are passing on to." Other foreign concessions have undoubtedly got their quota also, as well as the villages and areas beyond the ex-German Concession all of which must create new problems from several angles.

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Department of State letter, August 10, 1972
By Milton O. Lustigsm NARS, Date 12-18-75

Enclosure No. 13.

HEADQUARTERS,
IMPERIAL JAPANESE FORCES IN CHINA,
TIENTSIN.

Tientsin, November 30th, 1931.

Mr. Geo. Acheson,
American Consulate General,
Tientsin.

Dear Sir,

I am forwarding you herewith a translated letter of apology signed by the Chinese shoe-maker who, on the afternoon of November 28th, intended to get through the border of the Japanese Concession by abusing an American flag on his car.

I am, Sincerely yours,

(Signed) Y. NAKAGAWA

Y. Nakagawa, O.B.E.,
Hq., I.J. Forces in China
Tientsin.

100

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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

TRANSLATION

Letter of Apology.

Tientsin, November 28th 1931.

Sirs,

I hereby tender my sincere apology to the Japanese Military Authorities for what I have done to-day and swear that no such action will be repeated by me in the future.

I have really no excuse for having abused an American flag on my car when I intended to drive into the Japanese Concession at Asahi Road, the border of the Japanese Concession, to-day, at about 3.10 p.m., in order to take my personal properties away to the British Concession.

The American flag has been used simply because I thought without it I shall not be permitted to get through the border of the Japanese Concession.

Yours etc.,

(Signed) Pi Wen-chang,
Proprietor of Chu Feng Shoe-Maker,
No. 67 Fukushima Road, Japanese Concession.

Addressed to the Japanese Military Authorities in Tientsin.

1874
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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

Enclosure No. 14.

Extract from Japanese Information Bureau
Bulletin No. 51, dated November 30, 1931.

AMERICAN FLAG ABUSED BY CHINESE

On November 28, at about 3.10 p.m., a Chinese shoe-maker who is keeping his shop in the Japanese Concession for several years intended to drive into the Japanese Concession at Asahi Road near the border of the Japanese and French Concessions. He was stopped there by the Japanese gendarme who knows him very well as an American flag was hoisted on his car but no American was found inside the car. After an inquiry it was soon discovered that the Chinese shoe-maker who was taking his properties away from the Japanese Concession abused the American flag in the hope that he might by doing so pass through the border of the two Concessions without any difficulties. The matter was notified to the local American Consular Authorities and it was settled when the Chinese in question apologized to the Japanese authorities for what he has done and also promised not to repeat such an unjustified action in the future.

1875

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 Department of State letter, August 10, 1972
 By Milton O. Gustafson NARS, Date 12-18-75

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

MEMORANDUM


FP:

January 25, 1932.

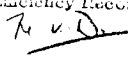
Mr. Byington:

Referring to the attached report from Tientsin in regard to the recent disorders at that port (793.94/3400), I venture to call your attention to the part which Franklin J. C. Liu, Chinese clerk in the Consulate General, took in the rescues described, a part which Consul General Lockhart commends.

It took no small courage for a Chinese to pass between the lines of fire and I hope that note of this will be made in Liu's efficiency record. If consistent with the Department's practice, and if commendation is to be sent to Consul Atcheson and/or Vice Consul Edson, I would suggest that a separate commendation be sent to Mr. Liu-- something that he could keep. I am sure that he would prize it highly. I think that he deserves it, and I believe that such action would be good for the morale of the Chinese staff.


 Stuart J. Fuller.

FE:SJF:EMF

Noted on Efficiency Records


JLB

FP

F.W.-793.94/3400

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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

March 25 1932.

Frank P. Lockhart, Esquire,
American Consul General,
Tientsin, China.

Sir:

With reference to your despatch No. 45³⁴⁰⁰ of December 8, 1931, the Department has had pleasure in noting, and concurs with you in your commendation of Consul George Atcheson, junior, and Vice Consul Andrew W. Edson for their efficient service, rendered under trying conditions, for the protection of American citizens during the disorders at Tientsin last November. Appropriate notations have been made on the efficiency records of these officers.

At the same time, the Department has noted the commendable conduct of Mr. Franklin J. C. Liu, interpreter of the Consulate General, and encloses a letter of appreciation which you may deliver to him.

Very truly yours,

For the Secretary of State:

Wilbur J. Carr

Enclosure:
Letter in duplicate.

793.94/3400

FE:CEG:EMU

March 24 1932.

793.94/3400

1877

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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

FP

March 25 1932.

In reply refer to
FE 793.94/3400

Franklin J. C. Liu, Esquire,
American Consulate General,
Tientsin, China.

Sir:

The Department has had pleasure in noting from official despatches the assistance rendered by you as interpreter of the Consulate General in connection with the protection of American citizens during the disorders at Tientsin in November last, and commends you for your conduct and service in assistance to the officers of the Consulate General under trying conditions.

Very truly yours,

For the Secretary of State:

Wilbur J. Carr

Assistant Secretary

A true copy of
the signed original.
[Signature]

793.94/3400

note
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[Signature]

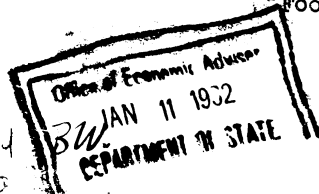
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F Mar 24 1932.
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NO. 64.

AMERICAN CONSULATE,

Foochow, China November 30, 1931.

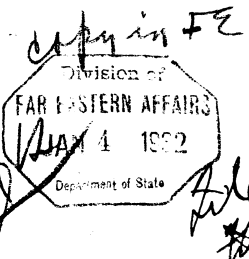
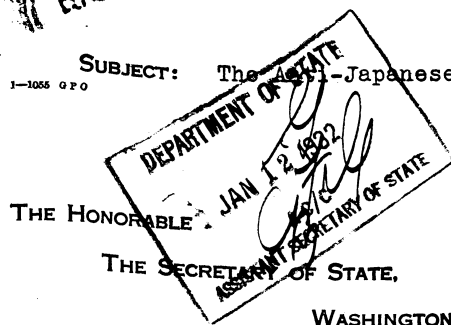


JAN - 4 32



SUBJECT: The Anti-Japanese Boycott.

1-1055 GPO



SIR:

In compliance with the Legation's telegraphic
circular instruction, dated November 25, 1931, direct-
ing this Consulate to submit direct to the Department
of State, forwarding a copy to the Legation, current
and periodic reports on the Anti-Japanese Boycott, I
have the honor to submit the following report.

The Anti-Japanese Boycott is no doubt more
genuinely popular and effective at this time in this
consular district than at anytime in the past, but it
is difficult to state at the present writing how long
its effectiveness would last should the Sheng Tang Pu
(省黨部), Provincial Party Headquarters, relax its
vigilance in the direction and control of this movement.

The Anti-Japanese and Salvation Society Organized and
Controlled by the Sheng Tang Pu.

The Sheng Tang Pu organized and controls the Anti-
Japanese and Salvation Society (反日救國會), through

which

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which organization the boycott is enforced . During September last the Provincial Party Headquarters issued regulations for the control of the Boycott which were given the following title: "The Methods to be Followed for the Severance of Economic Relations with Japan" (對日經濟絕交辦法). By-laws were drawn up stating the punishment which would be meted out to those who violated the foregoing regulations. These by-laws are entitled: "Rules for the Punishment of Traitors" (奸民懲戒條例). These regulations were forwarded to the Hsien Tang Pu's (縣黨部), District Party Headquarters, for enforcement in the various districts of the Province. The Anti-Japanese and Salvation Society sent out circulars to all the shop-keepers to the effect that they must sign a pledge not to handle or use Japanese goods, and further that in the event of the violation of their pledges they would have "their social life restrained" (社會生命之制裁). It also stated that should anyone fail to sign the pledge he would receive the above-mentioned punishment. It is reported that from five to seven thousand shopkeepers signed the pledge.

Government Participation in Activities of Anti-Japanese and Salvation Society.

The writer is reliably informed that the Civil Department of the Provincial Government issued circular instructions to all the District Magistrates to carry out the regulations drawn up by the Sheng Tang Pu.

On

-3-

On October 10, 1931, the anniversary of the Birth of the Republic of China, the Provincial Commissioner of Education in a speech to the students advocated the Boycott. The students were also given three days holiday, October 8th to 10th, inclusive, to make speeches all over the city urging a boycott of Japanese goods.

On October 28, 1931 Lin Hsueh-hstueh (林雪雪), a man of sixty-seven years of age, was seized by the Anti-Japanese and Salvation Society in the Chinese Maritime Customs Compound and was delivered to the Bureau of Public Safety (公安局) on the charge of being the owner of cargo-boats engaged in discharging cargo from the Japanese Osaka Shosen Kaisha steamers. At 3:00 p.m. on November 2, 1931 he was paraded around the city by the Municipal Police, and afterwards placed in a cage, which then as now stands at a very prominent street-crossing near the headquarters of the Bureau of Public Safety (Police Headquarters), where he was kept for an hour. He was then returned to Police Headquarters and kept in custody until on or about November 17, 1931. It is reported that a demand of \$4,000 was made upon him for his release, and that he was finally given his freedom upon the payment of \$1,000.

Another Chinese was arrested by the Anti-Japanese and Salvation Society with the cooperation of the Water Police at Hung Shan Ch'iao (洪山橋), Foochow,

on

-4-

on the charge of shipping Japanese coal up river.

Although the Provincial authorities claim that the Anti-Japanese and Salvation Society is not an officially recognized organization, still it can be seen from the foregoing that they not only allow that Society a free hand, but actually take part in its activities.

Sheng Tang Pu in Supreme Control in Matters Pertaining to the Anti-Japanese Movement and Anti-foreign Propaganda.

It is reported that prisoners are to be received by the Police from the Anti-Japanese and Salvation Society only upon the orders of the Sheng Tang Pu. The Provincial Government cannot control the Tang Pu. The following incident proves this very conclusively: On Saturday, November 21, 1931, an American missionary reported to this Consulate that there was a large anti-foreign poster displayed on a wall at Ku Lou Ch'ien (鼓楼前), the above-mentioned prominent street-crossing near the Bureau of Public Safety. This poster shows an unfortunate Chinese in the hands of three foreigners (one representing a Japanese and two representing westerners), who on the one hand are drawing off his blood by means of a knife wound, while on the other hand they are injecting a substance (fluid) into his body. The poster represents the foreign "cultural" (文化) invasion of China. On November 23, or 24 the writer called up Mr. V. C. Cheng of the Provincial Government and explained the poster to him

and

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 Department of State letter, August 10, 1972
 By Milton O. Gustafson NARS, Date 12-18-75

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and requested him to ask Commissioner Ch'en P'ei-k'un (陳培銳) to make investigation in the premises, and if the report was found to be correct to have the poster removed. Mr. Cheng was informed that the writer's telephone call was made in a friendly spirit, as he did not care to have such a small matter made the subject of a consular body meeting and protest. Mr. Cheng telephoned the following day stating that Commissioner Ch'en P'ei-k'un "was devising means" to have the poster taken down. Later when the Provincial Government was again questioned as to why such a minor question required "devising means", the party replying (it is advisable not to mention him by name) stated that the Provincial Government was taking the matter up with the Police. The writer being sure that the Provincial Government was not free to act and that it had been forced to refer the question to the Sheng Tang Pu, pressed for a more explicit explanation. The reply was finally given that the poster bore the characters of the Tang Pu and that it could not be removed without the sanction of that body. The writer's informer (as stated above, a recognized member of the staff of the Provincial Government) then stated that he had been "bold" in giving this information.

The Tang Pu holds the same relative position in China as does the Third International in Russia. It rules without being the recognized government.

It is hard to believe that should official pressure

be

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be withdrawn, the Tang Pu be shorn of its power, and the penalties for dealing in Japanese goods be removed, that the Boycott would last any considerable length of time, as it is not a spontaneous wholehearted exhibition of patriotism in so far as the merchants are concerned. The Chinese merchant is essentially a "price" merchant, and cheaper prices would in no great length of time again place Japanese merchandise on shopkeepers shelves. This does not mean that there is not a real hatred of Japan at this time.

The Boycott Movement Commenced with the Wan Pao Shan Incident.

The present boycott did not begin with the despatch of Japanese troops to points outside of the railway zone, but it commenced with the so-called Wan Pao Shan (萬寶山) affair in Manchuria. The occupation of Mukden, etc., however, has intensified it.

Sherwood Eddy.

In this connection this Consulate is informed by an American missionary in good standing that he heard Sherwood Eddy during his recent visit to Foochow advocate in one of his public lectures the boycott of Japanese goods (see this Consulate's despatch No.60, dated November 23, 1931, concerning Sherwood Eddy's visit to Foochow).

Sources

-7-

Sources of Information.

Chinese and foreign officials, American missionaries, and Chinese and foreign merchants.

Respectfully yours,

Gordon L. Burke

Gordon L. Burke,
American Vice Consul.

700
GLB:ETH

In quintuplicate.
Copy to the Legation.

V

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

DEPARTMENT OF STATE
2.

OFFICE OF THE ECONOMIC ADVISER

January 19, 1932.

This is a very good and comprehensive survey of the boycott situation in China.

Certain statements in the historical section seem open to question. On page 10 it is shown that Japan's exports to China in the first half of 1931 fell off 32% compared with the first half of 1930 and that the similar decrease in the second half of the year was only 33%. This division of the year is justified by the statement that strained relations began with the Wanpaosan incident in July. Elsewhere the report shows that the boycott was ineffective before September. If on page 10 the division be made January-August and September-December the respective decreases in Japanese exports are 26% and 54%.

Since the figures for 3 out of the 4 critical months are estimates by the Japanese Commercial Attaché, they must be accepted with considerable caution. On page 11 the same figures divided into regions show that the boycott has had no effect in Manchuria and correspondingly greater effect in the rest of China. If the figures had been shown for January-August and September-December, the results would have been more striking.

If

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DEPARTMENT OF STATE

OFFICE OF THE ECONOMIC ADVISER

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If the figures at the top of page 11 are correct, Japanese exports to Manchuria in the latter half of 1931 were 6% greater instead of 8% less than the exports during the same months of the preceding year.

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EA:BBW:Dry

B. M.

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(Prepared in accordance with the Legation's Circular
 telegram of November 25, 1931.)

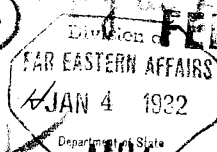


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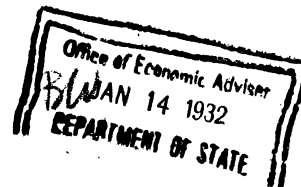
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Handwritten: Feb 9, 1932, MB, CB



793.94/3402

THE ANTI-JAPANESE BOYCOTT AND ITS
EFFECTS ON FOREIGN TRADE IN CHINA.

From:

Ernest Black
 U. Ernest Black,
 American Vice Consul.

American Consulate General,
 Shanghai, China.

Date of Completion: December 2, 1931.

Date of Mailing: DEC 15 1931

APPROVED:

Edwin S. Cunningham
 Edwin S. Cunningham
 American Consul General.

I N D E X

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 By Milton O. Lustigson NARS, Date 12-18-75

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GENERAL

20 { As a result of the Wanpaosan incident of July 1931 in Korea, when over a hundred Chinese were massacred by Koreans a wave of anti-Japanese feeling swept through China in the form of an almost universal demand for the severance of economic relations. This continued unabated until the occurrence of the Mukden incident on September 18th at which time it became greatly aggravated and assumed the role of a nation-wide boycott against Japanese goods. It will be recalled that the use of the boycott as a result of international disputes is by no means new in China, it having been used several times more or less effectively during the past decade. The present anti-Japanese boycott,, however, has assumed much greater proportions than any in recent years with the consequent decline in trade between China and Japan.

1. ANTI-JAPANESE BOYCOTT 1915

As a result of Japan's Twenty-One Demands presented to China on January 8, 1915, a wave of anti-Japanese feeling manifested itself throughout the country which ultimately assumed the role of an anti-Japanese boycott. Owing to the fact that a great part of the world was at war and needed raw materials which China possessed, the trade of China with foreign countries including Japan was not greatly affected by this boycott but on the contrary showed a noticeable increase in certain commodities. On this account and because it was a localized and unorganized movement the boycott was economically ineffective. This was principally due to the fact that it was fostered largely by the student class which was the only politically nationalistically

class

- 2 -

class conscious group in China, consequently, it did not influence the mass of the population to any perceivable degree. It did, however, mark the beginning of an intense anti-Japanese hatred among the politically minded Chinese upper classes.

As shown in the following table, however, the boycott apparently adversely affected Japan's cotton yarn export trade which recorded a decline of 33,298 piculs (4,439,700 pounds) valued at 4,000,000 yen (about US\$2,000,000) during the March-May quarter as compared with the corresponding period of the previous year:

	<u>1915</u>	<u>1914</u>
March	44,091 picl.	53,695 picl.
April	40,448 "	47,377 "
May	<u>33,707 "</u>	<u>50,472 "</u>
	<u>118,246 picl.</u>	<u>151,544 picl.</u>

(One picul equals 133-1/3 pounds)

Japan's China export trade in sugar, sea products, timber, matches, and copper also showed a slight decline as a result of the boycott.

2. THE ANTI-IMPERIALISTIC MOVEMENT OF 1922-1927

The drive against foreign imperialism actually began in 1921-1922 with the inauguration of the Hongkong seamen's strike culminating in the year 1925 with a larger number of strikes and labor disturbances than had heretofore occurred in this country. The wave of strikes which swept the country during this period were apparently economic in origin, but in reality they masked a political movement

world

- 3 -

world wide in extent. In the early part of 1925 friction between Japanese mill owners and Chinese laborers became greatly intensified and rioting became a daily occurrence in the vicinity of the mills. Finally several Chinese were wounded in the course of one of the riots, one of whom subsequently died causing an outburst of intense anti-foreign feeling among the Chinese. This culminated in a huge demonstration for the Chinese who had lost his life in the course of rioting in the Japanese cotton mills. As a direct result six Chinese students, were killed and forty wounded by the police of the International Settlement under the command of a British officer when the mob attempted to rush the police station. This clash aroused all the latent anti-foreign hatred of every class among the Chinese.

A general strike and boycott against foreign goods was called on June 1st. on which day the majority of Chinese shops in Shanghai remained closed. Anti-imperialist slogans spread like wild fire throughout the country. Anti-foreign demonstrations and outbreaks similar to the Shanghai affair quickly followed in Hankow, Nanking, Kiukiang, Chungking, Swatow, Canton, Hongkong, and other cities.-- Economic and industrial activity came to an absolute standstill during the duration of these strikes causing enormous losses to both foreigners and Chinese. Propagandists inspired by racial hatred warned the masses against the menace of foreign economic exploitation. This wave of anti-foreign antipathy gained in momentum as it swept like a deluge over the entire country. The boycott which at first had been directed principally against the British gradually assumed proportions such

- 4 -

such as effected the foreign trade of all capitalistic countries trade with China. There is no doubt at the present that this entire anti-imperialistic movement was fostered by outsiders in order to cripple Great Britain's trade in the Far East which it was erroneously hoped might precipitate a labor crisis in Great Britain and eventually lead to a revolution in that country: therefore, Great Britain was forced to bear the brunt of the attack.

Although the Japanese were also seriously affected by the anti-foreign boycott which reached a climax in 1925-1926, nevertheless, they did not fail to grasp every opportunity to take advantage of Great Britain's loss of markets in China to establish themselves whenever possible and were successful in many instances especially in the cotton piece goods industry.

Although the strikes in 1925 were fundamentally political in origin, they led in many instances to modifications of the economic conditions under which industrial workers labored. This ebullition of strikes and anti-foreign boycotts in central and north China continued into 1927; and although the workers returned to their factories in Shanghai prior to this date; still the shipping strike and boycott in South China against Hongkong continued until October 10, 1926.

Thus the drive against Foreign Imperialism fostered under the guise of a Nationalist Revolution eventuated in the growth of a very widespread anti-foreign feeling and the consequent growth of a strong sense of national pride never before known in China. This anti-foreign

sentiment

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 Department of State letter, August 10, 1972
 By Milton O. Gustafson NARS, Date 12-18-75

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sentiment has in the past four years been somewhat ameliorated and softened but the sense of national pride has blossomed forth in the development of native industry and an insistent demand for the use of native goods. The present anti-Japanese boycott will undoubtedly result in an additional growth of nationalist sentiment which will be basically anti-Japanese. Generally speaking, however, it will be anti-foreign in the sense that it will lead to an almost universal demand for the use of native products. Thus the wholesale implantation of anti-foreign hatred in the minds of the masses, both soldiers and civilians, bore its own fruits in two major clashes with foreign residents and troops, the first at Nanking and later at Tsinan.

3. ANTI-JAPANESE BOYCOTT RESULTING FROM THE TSINAN INCIDENTS

As a result of the capture of Tsinan by the Nationalist forces on May 1, 1928 which led to their subsequent clash with Japanese troops and finally to their withdrawal from the city, a wave of anti-Japanese sentiment swept through China and manifested itself in the form of a boycott. Various anti-Japanese societies were formed in the large industrial centers whose purpose it was to instill hatred of the Japanese into the minds of the masses and advocate the suspension of economic relations between China and Japan. The activities of these societies resulted in the establishment of a string of "barriers" and "examination stations" throughout the country especially in Shantung province whose functions consisted of examining merchandise and confiscating it if it was of Japanese origin or intended for the use of Japanese.

Japanese

- 6 -

Japanese shipping in the Yangtse River and along the China coast was greatly hampered as the Chinese refused either to travel or to ship goods on Japanese ships.

The Japanese cotton mills in Shanghai suffered probably more than other industries due to the boycott. During the summer of 1928, Japanese importers laid in large stocks of piece goods in anticipation of the effectiveness of the boycott and, in consequence, they apparently did not suffer any noticeable serious effects during the latter part of that year. In the first four months of 1929, however, grey sheeting fell off about 44 percent, flannelettes over 60 percent, and poplins 45 percent as compared with the previous year's imports for the corresponding period. A direct effect of the boycott in 1928 and 1929 resulting from the Tsinan incident was the establishment of more Japanese owned cotton mills in China in order that a similar situation might be avoided in the future. The boycott continued more or less effectively until the summer of 1929 at which time normal trade relations between China and Japan were re-established.

ANALYSIS OF SINO-JAPANESE TRADE

According to a report compiled by the Japanese Commercial Counsellor, a considerable increase in the trade between China and Japan was noted in 1926. In 1927, however, a decline in the trade occurred as a result of the establishment of the then strongly communistic National Government at Hankow which temporarily hampered the trade of the Yangtse ports. Due to the anti-Japanese boycott following the Japanese occupation of Tsinan, the capital of Shantung in May 1928, a set-back in the normal trade relations

- 7 -

relations of the two countries took place as shown above. Japan's trade with China was considerably handicapped in 1929 when the National Government enforced a new import tariff and also in 1930 when the decline in the price of silver considerably decreased the purchasing power of the Chinese masses. From the above it may be seen that in the past few years Sino-Japanese trade has been adversely effected by the above-mentioned factors to the mutual disadvantage of both countries.

The analysis of the figures of Japan's export trade to China shows that the trade in 1928 recorded an increase over the trade in 1927 as shown by the following table:

1927	Yen 487,000,000
1928	" 539,000,000
1929	" 533,000,000

The above trade figures represent only exports of Japan proper to China, including Hongkong and Kwantung leased territory. From the above it will be noted that Japan's export trade to China was quite materially affected in 1927 owing to the establishment of the Wuhan Soviet regime, as well as to the anti-Japanese boycott agitation in Shanghai as a result of the first sending of Japanese troops to Shantung. The trade relations between the two countries were extremely favorable owing to the peaceful situation from January to May 1928 at which time the Tsinan incident occurred.

In order therefore to appraise the effect of a boycott upon the trade of the two countries it will be necessary to compare the export trade figures of Japan for the
year

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year from June 1927 to May 1928 with those for the year from June 1928 to May 1929 as in the following table:

(Unit: one million Yen. 1 Yen equals US\$0.4985)

	<u>June 1927- May 1928</u>	<u>June 1928- May 1929</u>	<u>Difference</u>
Manchuria	161	215	+ 54
North China	103	76	- 27
Central & South China & Hongkong	<u>282</u>	<u>216</u>	- 66
Total	<u>546</u>	<u>507</u>	- 39

It will be noted that a decrease of 39,000,000 Yen (approximately US\$19,500,000) took place in the export trade for the year ending May 31, 1928 as compared to that for the year ending May 31, 1929. This is not considered to be a great loss in the light of the anti-Japanese boycott conducted on a large and systemic scale for a period of one year. The above figures show that the trade in Manchuria, where the boycott was not active at that time, increased by 54,000,000 Yen (approximately US\$27,000,000) whereas the trade in North, Central and South China, including Hongkong, showed a decrease of 93,000,000 yen (approximately US\$46,500,000) or 24 percent due to the anti-Japanese boycott.

CHINA'S FOREIGN TRADE

Before analysing the economic consequences of the present anti-Japanese boycott which grew out of the recent controversy between Japan and China in Manchuria, it will first be necessary to make a brief study of China's foreign trade during the past few years. Although China's foreign trade values calculated on a silver basis have gradually increased during the last year, the values calculated on a gold

- 9 -

gold basis have gradually shown a decrease as follows:

(Unit: One million U.S. dollars)

	<u>Imports</u>	<u>Exports</u>	<u>Total</u>
1927	\$729	\$662	\$1,391
1928	915	758	1,673
1929	873	701	1,574
1930	602	411	1,013

The above table shows that in 1930 China's imports, as compared with the preceding year, showed a decrease of 31 per cent whereas exports decreased by 41 per cent. The considerable decrease may be attributed to the general economic depression throughout the world as well as to the following specific factors.

The dull vegetable oil market in Germany and the decline in the price of rice in Japan, adversely affected China's exports of such staples as soya beans, bean cakes and bean oil from Dairen. Furthermore the export of silk from Shanghai and Canton was very inactive due to the depressed markets in Europe and the United States for this commodity, while the dull market in the United States greatly affected the export of wood oil from Hankow. China's trade was further hindered due to the unsettled political situation as well as to the activities of bandits which greatly obstructed the delivery of farm products from certain interior districts.

It is believed a further decline in China's foreign trade will be shown during the current year due to the above named adverse factors which still exist at the present time.

Japan's estimated trade with China for 1931 compared
with

- 10 -

with that of the previous year is stated as follows:

(Unit: One million yen. 1 Yen equals US\$0.4985)

	<u>1930</u>		<u>1931</u>		<u>Difference</u>	
	<u>Exp.</u>	<u>Imp.</u>	<u>Exp.</u>	<u>Imp.</u>	<u>Exp.</u>	<u>Imp.</u>
January-June	207	189	140	142	-67	-47
July	28	16	31	15	+ 3	- 1
August	32	13	27	13	- 5	0
September	35	13	23	14	-12	+ 1
October	37	16	15	11	-22	- 5
November	33	16	13	12	-20	- 4
December	33	21	13	12	-20	- 9
Total for latter half year	198	95	123	77	-76	-13
Annual Total	405	284	262	219	-143	-65

(The above figures represent Japan's exports and imports to and from China, including Hongkong and Kwantung Leased Territory.) Figures estimated by Japanese Commercial Counsellor.

Although friendly relations existed between China and Japan during the first six months of 1931, the trade of the two countries showed a decrease of 67,000,000 yen (approximately US\$33,500,000) or 32 percent for exports and 47,000,000 yen (approximately US\$23,500,000) or 25 percent as compared with the corresponding period of 1930. During the latter half of the year, during which time the relationship of the two countries became severely strained by reason of the Wanpaoshan incident in July and the Mukden clash in September, the trade between the two countries showed a decrease of 76,000,000 yen (approximately US\$38,000,000) or 33 percent for exports and 18,000,000 yen (approximately US\$9,000,000) for imports as compared with the corresponding period of 1930.

From the above figures one would be inclined to attribute rather slight importance to the effect of the boycott. A close analysis, however, of the trade of the two countries as shown in the following table tends to clarify the situation materially.

1930

- 11 -

	<u>1930</u>				<u>1931</u>			
	1st half		2nd half		1st half		2nd half	
	exp.	imp.	exp.	imp.	exp.	imp.	exp.	imp.
Central China, inc. Shanghai	71	37	76	28	54	34	28	16
South China inc. Hongkong	26	-	31	-	20	-	17	-
North China inc. Tientsin	40	30	39	22	27	27	22	21
Manchuria, in- cluding Dairen	70	122	52	45	39	81	55	40
Total	207	189	198	95	140	142	122	77

Difference in Percentage

	<u>1930</u>		<u>1931</u>	
	<u>First half</u>		<u>Second half</u>	
	exp.	imp.	exp.	imp.
Central China, incl. Shanghai	-24%	- 8%	-63%	-43%
South China, incl. Hongkong	-23%	...	-45%	...
North China, incl. Tientsin	-32%	-10%	-44%	- 4%
Manchuria, incl. Dairen	-44%	-34%	+ 6%	-11%
Total	-32%	-25%	-38%	-19%

It will be noted that whereas Manchuria's trade during the first half of 1931 with Japan shows a greater decrease than that of any other district, the trade shows a far smaller decrease during the last six months. Furthermore the above table shows decreases in Japan's trade with other districts in China quite in proportion to the degree of severeness of the boycott movements effected therein. It is also noted that Japan's trade with the Yangtse ports with Shanghai as the center will be most seriously affected. Japan's loss as a result of the Chinese refusal of acceptance of Japanese goods and the suspension of shipment due to

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to the breach of contract on the part of the Chinese, as far as the future delivery of the goods beginning from October 15, 1931 to next spring is concerned, is roughly estimated at 10,000,000 yen (approximately US\$5,000,000).

TRADE WITH MANCHURIA

It is estimated that during 1931, Japan's trade with Manchuria will amount to about 46 percent of the total trade with China.

The following table illustrating the share of Japan's trade with Manchuria as compared with the trade with the rest of China is of interest. The figures in the table include those of Japan proper, Korea and Formosa.

(Unit: One million yen. 1 yen equals US\$0.4985)

<u>Year</u>	<u>District</u>	<u>Exp.</u>	<u>Imp.</u>	<u>Total</u>	<u>%</u>	<u>Grand Total</u>
1926	Manchuria	188	269	457	40%	1,153
	China Proper	446	250	696	60%	
1927	Manchuria	170	255	425	41%	1,039
	China Proper	381	233	614	59%	
1928	Manchuria	207	279	486	45%	1,087
	China Proper	384	217	601	55%	
1929	Manchuria	218	277	495	47%	1,062
	China Proper	372	195	567	53%	
1930	Manchuria	143	217	360	44%	811
	China Proper	299	152	451	56%	
5 years' average	Manchuria	185	259	444	43%	1,028
	China Proper	375	210	585	57%	
1931	Manchuria	104	155	259	46%	559
	China Proper	185	115	300	54%	

(Manchuria includes Kwantung Leased Territory and China Proper includes Hongkong.)

As is indicated in the foregoing table, Japan's Manchuria trade amounts to about 46 percent representing 37 percent for total exports and 57 percent for total imports, of

Japan's

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Japan's entire trade with China. As pointed out above Japan's trade with Manchuria has shown a gradual healthy increase and it is not believed that it will be greatly disrupted by anti-Japanese boycott propaganda which apparently seems to be most effective in Shanghai and the Yangtse ports.

EFFECT OF BOYCOTT ON JAPANESE SHIPPING

According to the Shanghai director of the Nisshin Kisen Kaisha, a large Japanese shipping company which operates exclusively in Chinese territorial waters, neither Chinese freight nor Chinese passengers have been carried by this line since September 25, 1931. As a result of the lack of business due to the boycott, the company decided to modify its Yangtse schedule to a large extent, effective November 1st. Two ships on the Shanghai-Ichang run are tied up in Shanghai while eight steamers in the Shanghai-Hankow service which normally make between 24 and 27 round trips per month will undertake only ten round trips in November. One of the three vessels operating between Hankow and Ichang has been removed from the schedule.

On the upper Yangtse, all five N. K. K. steamers plying between Ichang and Chungking have ceased operations owing to lack of business.

Normally the N. K. K. operates 26 steamers in Chinese territorial waters. Two of the regular services link Shanghai with Tsingtao, Dairen and Tientsin in North China and with Amoy, Swatow, Hongkong and Foochow in the South. Two steamers are scheduled in each of these services and are continuing to run at present but minus Chinese passen-

ger

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ger and freight revenue. Changes in these services, however, are contemplated at an early date.

Not only has this Japanese steamship company lost a large percentage of its revenue on account of the boycott but it is also unable to obtain supplies from local ship's chandlers who in normal times sell about US\$50,000 worth of supplies to the N. K. K. (Per month)

Chinese shipping along the Yangtse have not failed to take advantage of the situation and have requested the Chinese Government to return a number of commandeered vessels which have been returned to their owners and placed in service along the Yangtse and China coast.

Chinese shippers are now using these Chinese boats to a large extent but the bulk of the freight lost by the Japanese has been allotted to American, British and vessels of foreign registry other than Japanese.

According to Chinese shipping companies, the Chinese plan to seize the present opportunity in order to organize new Chinese shipping companies with government assistance in order to increase tonnage under the Chinese flag. It is not anticipated, however, that any material increase in Chinese tonnage will take place as a result of the boycott.

The principal Japanese company affected by the boycott as mentioned above is the Nisshin Kisen Kaisha which owns and operates 26 coal burning vessels having a total tonnage of 42,000. Other Japanese shipping interests affected are the Dairen Kisen Kaisha, a subsidiary of the South Manchurian Railway Company, and the Osaka Shosen Kaisha. The D. K. K. in addition to operating two coal carriers regular-

ly

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ly between Dai ren and Shanghai has three vessels on the Shanghai, Tsingtao, Dai ren and Tientsin run. The O. S. K. has between three and five boats regularly in the coast service. The boycott has stopped the Chinese freight and passenger business of these three Japanese shipping companies since the end of September.

EFFECT OF BOYCOTT ON JAPANESE COTTON MILLS

According to local mill officials, the Japanese owned cotton mills have only been able to dispose of 20 percent of their output since the boycott became effective at the end of September. The remaining 80 percent has been stored in local godowns while the amount disposed of has been sold to Japanese merchants who export to the Far and Near East. The boycott has practically ruined the business of the Japanese owned mills situated at Shanghai and it is believed that they will be forced to shut down if the business does not increase before the end of January 1932.

The Japanese Cotton Mill Owners' Association, whose membership is comprised of the local Japanese cotton mills, has seriously discussed the policy of suspending operations but as yet has reached no definite decision.

It is estimated that the Japanese mills, have lost approximately Tls. 2,000,000 (about US\$670,000) in gross profits per month.

All local Chinese purchases have ceased, as have shipments to points in the interior - nine concerns operating a total of 34 mills giving employment to approximately 60,000 Chinese and 1,700 Japanese are affected as a result of the refusal of the Chinese to buy Japanese products.

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The nine Shanghai firms affected by the boycott are:

Japan-China Spinning and Weaving Company,
operating eight mills and giving employment
to 11,000 Chinese laborers. Established 1918.

Naigai Wata Kaisha,
nine mills, 10,600 laborers. Established 1911.

Shanghai Cotton Manufacturing Company, five mills,
10,300 laborers. Established 1902.

Shanghai Silk Spinning Company,
two mills, 6,000 laborers. Established 1922.

Toyoda Cotton Mill, two mills, 4,000 laborers.
Established 1921.

Dah Kong Cotton Spinning Company,
one mill, 4,000 laborers. Established 1922.

Yu Feng Cotton Spinning Company,
three mills, 4,000 laborers. Established 1922.

Dong Shing Spinning & Weaving Company,
two mills, 2,400 laborers. Established 1922.

Tokwa Boseki Kaisha,
two mills, 1,900 laborers. Established 1921.

Japanese interests control and operate a total of 49 mills in China. In addition to the 34 situated at Shanghai there are four in Manchuria, ten at Tsingtao and one at Hankow. These 49 mills operate 1,630,436 spindles of the aggregate of 4,210,336 in China and manufacture about 40 percent of the cotton yarn and cotton piece goods produced in China. There are a total of 130 cotton mills in China with a personnel of 255,256 of which seventy-eight are Chinese, forty-nine Japanese and three British.

The cotton mill industry has effected great improvements during the past thirty years and its development has caused the establishment of schools, dormitories and hospitals as well as having resulted in increased technical efficiency, systematic management and improved and increased output.

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HISTORY OF COTTON MILL INDUSTRY

In order that one may thoroughly understand the effects of the boycott on the cotton mills, a brief history of this industry in China is given herewith.

The cotton goods manufacturing industry in China dates back to 1890 when government established cotton mills were opened in order to check toosteadily increasing importation of foreign goods. The mills, however, were destroyed by fire in 1893 and were rebuilt in 1895 through the subscription of public funds. In April 1895 by virtue of the Treaty of Shimonoseki which granted the right to engage in the manufacturing industry, many foreign mills were erected at Shanghai. The first foreign mills to be erected included the Lao Kung Mow and the Ewo cotton mills, both British; the Jui Chi Cotton Mill, a German concern; and the Hung Yuan Cotton Mill, an American company, which was later absorbed by the Japan-China Spinning and Weaving Company.

The Japanese first participated in the China cotton goods manufacturing industry in 1902 at which time the Mitsui interests purchased the Hsin Tai Cotton Mill, a Chinese organization which had experienced financial difficulties. Japanese interests were interested in 1906 through the purchase of the Da Tung Cotton Mill, a Chinese concern, by the Mitsui Bussan Kaisha, Ltd. The Japanese gradually obtained possession of further mills until they built up the large organizations which they control today.

The nine Japanese firms owning all of the Japanese mills in Shanghai have a combined total capitalization of Yen 101,400,000 (about US\$50,700,000) and Tls. 26,000,000

(about

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(about US\$8,700,000) which include the China and Japan holdings of the companies, the majority of whose interests are located in Shanghai.

The last dividends declared by the Shanghai companies, at the close of the first half of 1931, ranged from 5 to 15 per cent. Prospects of dividends at the close of this calendar year, however, are extremely slight due to the anti-Japanese boycott.

The raw materials for Shanghai's cotton mills are derived from the United States, India and China. Approximately 300,000 bales of 500 pounds are consumed annually while 500,000 bales of 400 pounds each are supplied by India. In normal times China produces about 7,000,000 piculs of cotton annually (one picul equals 133-1/3 lbs.) This year, however, owing to disastrous floods, the crop will be greatly reduced with the result that increased imports of raw cotton from the United States and India will be necessary.

PROSPECTS OF MILLS

Officials of the Japanese cotton mills are uncertain as to the future of the local mills although no immediate stoppage is anticipated as there are sufficient supplies of raw material available and the larger mills have the financial resources necessary for the continuation of operations. The mill owners are determined to maintain normal operations to the largest possible extent which will undoubtedly depend on their ability to export their products successfully during the duration of the boycott. The normal production of the local Japanese mills is

35,000

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35,000 bales of cotton yarn and 650,000 pieces of cotton cloth per month. As cotton yarn averages Mex.\$250 (about US\$58) per bale and cotton cloth Mex.\$8 (about US\$2) per piece, the mills' output per month amounts to almost Mex.\$14,000,000 (approximately US\$3,500,000). On account of the boycott cotton goods to the value of Mex.\$11,200,000 (about US\$2,800,000) per month are being placed in warehouses. The direct result of the boycott has been the cessation of all shipments to the interior accompanied by an absolutely stagnant local market.

EXPORT POSSIBILITIES

About 20 per cent of the production of the local mills is exported by Japanese merchants to Hongkong, India, Haiphong, Seorabaya and the south sea islands. Local cotton dealers are of the opinion that exports can be greatly increased provided the prices are materially reduced. They are unwilling to cut prices, however, as they believe that the boycott will be of short duration. According to a statement made by the director general of the Japanese Cotton Mill Owners' Association the mills will be forced at the latest to close down on January 1, 1932 unless sales increase greatly before that date.

On November 24th Mr. Ayaza Takei, President of the Naigai Wata Spinning Company and the Director of the Japanese Mill Owners' Association in China arrived in Shanghai in order to make a survey of the present condition of the local Japanese-owned cotton mills. Mr. Takei stated that he came to Shanghai merely to inspect the local mill conditions, but expressed the hope that the local situation would improve in the near future in order

to

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to permit the continuation of operations in mills in co-operation with Chinese and foreign mills.

In addition to Japanese shipping and cotton mills which have been seriously hampered by the anti-Japanese boycott, Japanese match factories, glass plants and other manufacturers have found themselves without any Chinese buyers which has forced them to place practically their entire output in warehouses and godowns. Both importers and exporters of all Japanese products have similarly been affected as a result of the boycott as the movement precludes sale to or purchase from the Japanese. Chinese shops dealing in Japanese commodities have also been closed down by the boycott societies and organization. In some instances local firms have refused to negotiate drafts drawn on Japanese banks and have requested their principals to have the draft transferred to some non-Japanese bank.

TOTAL EFFECT OF BOYCOTT ON JAPANESE TRADE

According to the chairman of the Shanghai Japanese Chamber of Commerce between Tls. 130,000,000 and Tls.150,000,000 (approximately US\$43,300,000 - US\$50,000,000) in goods covered by contracts between Japanese importers and exporters and Chinese merchants have been refused delivery by Chinese dealers. Delivery of these contracts was refused within a period of approximately one month, between September 21, 1931 at which time Japanese troops were in occupation of Mukden and October 20, 1931. Time of delivery stipulated in the contracts which have been rejected ranges from later September 1931 to the first quarter of 1932. In all cases Chinese merchants have notified

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notified Japanese dealers that they do not intend to accept delivery. As a result of this action on the part of the Chinese, Japanese goods are accumulating in Shanghai warehouses. The Japanese, through their diplomatic and consular officers, have strenuously protested against the methods by which the Chinese have attempted to enforce the boycott, against all kinds of Japanese products.

METHODS EMPLOYED TO ENFORCE BOYCOTT

In addition to the voluntary refusal of Chinese merchants to trade in Japanese commodities, anti-Japanese societies and associations which have increased greatly in number since the end of September have placarded various sections of Shanghai and other Chinese cities with posters whose purpose is to stir up hatred in the populace against the Japanese. Several minor clashes have taken place between Chinese and Japanese, and between Chinese engaged in anti-Japanese activities and the police, in which several Chinese have been killed.

The most serious anti-Japanese incident which has occurred in Shanghai up to the present took place on October 18th when a mob consisting of several thousand Chinese workmen and students attacked Japanese mills and stoned Japanese shops and residences.

Over \$40,000 worth of alleged Japanese goods have been seized by pickets of the "National Salvation Committee to resist Japan." These seizures consisted principally of cotton yarn and piece goods as well as other miscellaneous articles.

Other methods employed locally have been the withdrawal of all advertisements from Japanese newspapers and the
resignation

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resignation of Chinese compradores and clerks from the employ of Japanese organizations and firms.

Local Chinese exchange shops and banks refuse to deal in Japanese currency and Chinese depositors have withdrawn their funds from Japanese banks.

Since the inauguration of the anti-Japanese boycott, several Chinese merchants accused of dealing in Japanese products have been seized and placed in confinement and subsequently released on payment of a considerable fine.

It has been reported that similar methods have been employed in other cities in China especially in Canton, Hankow, Foochow, Peiping and Tientsin.

EFFECT OF BOYCOTT ON CHINESE

Owing to the practical cessation of sales by the Japanese factories situated in China, the Chinese owners of competitive industries such as cotton mills, match factories, glass plants and other manufactories have increased their business in an unprecedented manner. Work and production in these Chinese mills has been greatly increased and products have been sold at better prices than heretofore obtainable. In numerous cases, the personnel of the Chinese firms producing articles in competition with Japanese organizations has been increased in order to cope with the ever-increasing demand.

Chinese shipping interests have also been benefitted to a large extent by the boycott, Chinese vessels plying the Yangtse and both the north and south China coast are carrying capacity loads of passengers and freight while the Japanese vessels have greatly curtailed their schedules.

According to statistics recently released by the
local

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local Consolidated Tax Bureau, the income from the consolidated tax on Chinese goods has increased by more than Mex.\$2,000,000 (approximately US\$500,000) per month since the establishment of the anti-Japanese boycott. The total tax collected for September on cotton and linen goods, matches, flour and cigarettes amounted to Mex.\$7,660,000 (about US\$1,915,000) which amounts to an average increase of Mex.\$2,600,000 (about US\$650,000) as compared to the totals collected during the previous months. The tax on cigarettes amounted to Mex.\$5,107,800 (about US\$1,276,900) while Mex.\$1,694,000 (about US\$423,000) was levied on cotton and linen piece goods and Mex.\$767,000 (about US\$191,000) on flour and matches.

Counteracting the industrial and shipping boom for the Chinese as well as the stimulus given Chinese retail trade in many lines as a result of the boycott, is the serious problem of Japanese employed Chinese labor. It is estimated that between 85,000 and 100,000 Chinese men, women and children are employed in the Japanese-owned cotton mills and other Japanese-controlled industries and provide a livelihood for approximately 300,000 or 10 per cent of Shanghai's population.

As the Japanese-owned industries are unable to sell their products to the Chinese due to the boycott and are only able to export about 20 percent of their production, it is believed that the mills will be forced to discharge a large number of workmen unless conditions improve considerably within a few weeks.

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It is feared that a general stoppage of the Japanese-owned cotton mills would bring the Chinese laborers to the brink of starvation within three months. As a rule the Chinese who are paid twice a month have sufficient means to tide them over one month of idleness. It is estimated that they could be tided over another month by obtaining funds from pawnshops against delivery of their personal effects, but forced inactivity would bring them face to face with actual want during the third and fourth months of idleness and probably would precipitate a serious labor crisis in Shanghai.

EFFECT OF BOYCOTT ON JAPAN'S TRADE WITH CHINA

According to the local office of the Chinese Maritime Customs, Japanese goods continue to arrive in large quantities at Shanghai and other Chinese ports in spite of the anti-Japanese boycott. Official customs, statistics, however, covering the imports from Japan during the period of the boycott are not as yet available but it is believed that there has been a marked decline of Japanese imports as compared with the corresponding period of 1930.

The Japanese Commercial Attache's office, however, has released figures estimating the effect of the boycott on Japan's total trade with China. Estimates of Japan's probable trade with China for the months of October, November and December have been made based chiefly on the figures for September. The boycott has doubtlessly been the principal cause for the decrease in Japan's imports from and exports to China but the world-wide economic depression has also had its effects on Sino-Japanese trade.

Japanese

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Japanese estimates comparing the 1930 and 1931 trade with central China, the majority of which is handled through the port of Shanghai, show that during the first half of 1931 exports from Japan to central China decreased 24 percent as compared with those in the corresponding period of 1930 whereas exports during the last six months of 1931 show an estimated decrease of 64 percent as compared to the same period of the previous year. Japan's imports from Central China during the first half of 1931 showed a slight decrease of 8 percent in comparison with the corresponding period of 1930 while imports during the second half of the present year are estimated to show a decrease of 43 percent when compared with the same period of 1930.

In order that the effects of the boycott on Japan's trade with Central China may be clearly shown, the following tables covering comparative imports and exports are quoted.

JAPAN'S EXPORTS

1st half of 1930	US\$35,500,000
2nd " " "	38,000,000
1930 total	US\$73,500,000
1st half of 1931	US\$27,000,000
2nd " " "	14,000,000
1931 total	US\$41,000,000

LOSS IN EXPORTS

1st half of 1931	US\$ 8,500,000
2nd " " "	24,000,000
Difference between 1st and 2nd halves of 1931	15,500,000
Total 1931 loss	32,500,000

JAPAN'S IMPORTS

1st half of 1930	US\$18,500,000
2nd " " "	17,000,000
1930 total	35,500,000

1st

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1st half of 1931	US\$14,000,000
2nd " " " (estimated)	<u>8,000,000</u>
1931 total	US\$22,000,000

LOSS IN IMPORTS

1st half of 1931	US\$ 4,500,000
2nd " " " "	<u>9,000,000</u>
Difference between 1st and 2nd halves of 1931	4,500,000
Total 1931 loss	<u>13,500,000</u>

TOTAL 1931 TRADE LOSSES

Exports	US\$32,500,000
Imports	<u>13,500,000</u>
Grand Total	<u><u>US\$46,000,000</u></u>

A careful analysis of the above figures show that the boycott has had a very detrimental effect of Japan's trade with central China and has not only considerably jeopardized the business of local Japanese importers and exporters but has also deprived many Chinese who have participated in the boycott of their means of livelihood.

The figures for the whole of China, including Hongkong and Manchuria, where the Japanese military occupation precludes the possibility of an effective boycott, reduce the decline in Japan's China export trade somewhat as shown by the following tables:

JAPAN'S EXPORTS TO CHINA

1st half 1930	US\$103,500,000
2nd " " " "	<u>99,000,000</u>
1930 total	US\$202,500,000
1st half 1931	US\$ 70,000,000
2nd " " " (estimated)	<u>61,000,000</u>
1931 total	US\$131,000,000

LOSS IN EXPORTS

1st half 1931	US\$ 33,500,000
2nd " " " "	<u>38,000,000</u>
Total 1931 loss	US\$ 71,500,000

According

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According to the official figures issued by the Ministry of Finance at Tokyo, Japan's exports during September 1931 amounted to 22,993,000 yen (about US\$11,496,000) and imports to yen 14,310,000 (about US\$7,150,000). Comparing these official figures with August 1931, a loss of 4,000,000 yen (about US\$2,000,000) is shown for exports whereas imports show an increase of 1,400,000 yen (about US\$700,000). These returns, however, do not reflect to any extent the actual effect of the boycott which did not become intensified until after the occupation of Mukden by the Japanese in the middle of September. During October the boycott movement extended steadily to all classes of Chinese and attained a greater degree of severity. As no actual figures of Sino-Japanese trade have as yet been compiled for the month of October it is impossible to state accurately the value of the trade affected but it is believed that the estimated figures mentioned above approach an approximation of the situation as it actually exists.

DURATION OF BOYCOTT

According to local Chinese the boycott will continue in its full effectiveness for many months and the restoration of normal economic relations between China and Japan will not take place until Japan evacuates from the occupied cities in Manchuria into the zone of the South Manchurian Railway and pay China reparations for losses incurred due to the Japanese occupation. On the other hand the consensus Japanese opinion is that the boycott cannot continue very much longer. The Japanese point out that the continuance of the boycott will adversely effect such a large number of Chinese

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Chinese that it will be impossible for the anti-Japanese boycott associations to bring enough pressure against their own countrymen to enforce effectively a boycott which is of such great disadvantage to the Chinese concerned.

It is not believed that Chinese firms can cope with the demand for substitutes of cheap Japanese products such as paper and cotton piece goods which are used by the lower classes of Chinese and that gradually the boycott will collapse and that the Chinese will buy articles of Japanese origin through sheer necessity. It is not possible, however, to estimate with any degree of accuracy the duration of the boycott at this time and further reports on the subject will be made from time to time as the boycott continues.

EFFECT OF BOYCOTT ON EXCHANGE

The reason for the recent violent upward move in the value of silver which has recently taken place may to a certain extent be attributed to the fact that it became necessary for Japanese traders in China to sell gold currencies within a short space of time. Japanese importers and manufacturers in China realized that due to the boycott the Chinese would refuse to accept delivery of goods previously contracted for. Their exchange commitments already entered into were consequently cancelled at very low levels with the result that they became sellers of large sums of foreign exchange within a comparatively short period of time. Approximately fifty million taels value of foreign currencies were sold on the Shanghai market by Japanese importers which undoubtedly had its effects in raising the value of silver.

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The anti-Japanese boycott is responsible for a disturbance in the financial condition of Shanghai. In order that they may have sufficient funds on hand, the Japanese banks in Shanghai are keeping large amounts of silver in their vaults. The hoarding of this silver may do a great deal of harm to the local money market and has already caused a scarcity of cash in local native banks from which it was drawn by the Japanese banks.

Japanese banks have been extremely active in exchange transactions until comparatively recently but since trade relations between China and Japan have fallen off so materially on account of the boycott, the activity of the Japanese banks as far as exchange transactions have been concerned have been greatly reduced.

EFFECT OF BOYCOTT ON FOREIGN GOODS

Although it is impossible at the present time to predict accurately what effects the anti-Japanese boycott will have on goods of foreign manufacture or origin other than Japanese, nevertheless, it is safe to state that the demand for certain cheap American, British and German manufactured articles will show an increase in the near future provided the boycott maintains its present effectiveness.

It has already been mentioned that American, British, and Chinese shipping interests, especially those which operate in Chinese territorial waters, have materially benefitted through the refusal of the Chinese to embark or ship goods by Japanese steamers.

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The boycott has also benefitted foreign trans-Pacific shipping lines due to the fact that important Chinese firms dealing in American goods have placed a statement on their indent orders with American firms to the effect that if the merchandise covered by the order is shipped to China by Japanese steamers it will not be accepted by the Chinese firms.

Furthermore, since the boycott became effective this Consulate General has been called upon to issue certificates of origin for goods originating in the United States but similar to articles of Japanese origin. These certificates are issued after careful investigation of the invoice and shipping documents and remove any doubt existing in the minds of the Chinese as to their origin.

CONFIDENTIAL

During the past month about 200 anti-Japanese meetings and demonstrations have been held in Shanghai by the National Salvation Committee, the local Kuomintang, organized labor societies and students societies. These organizations have been very active in spreading anti-Japanese propaganda with a view to stimulate racial hatred between the Chinese and Japanese and cripple Japan's China trade. Although the National Government has on several occasions flatly denied that it has in any way fostered the anti-Japanese movement, nevertheless, it is believed that it has secretly aided and abetted the movement through local branches of Kuomintang as evidenced by the detention of several Chinese persons in the Temple of the Queen of Heaven which, although situated within the area
under

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under the jurisdiction of the Shanghai Municipal Council, is nevertheless under control of the Chinese extra-Settlement authorities by virtue of a special clause in the land regulations. It is estimated that at least twenty persons who had been taken into custody by unofficial bodies without any reference to the local lawfully constituted courts, were detained in the Temple of the Queen of Heaven during the month of October.

Posters, cartoons, leaflets and slogans of an anti-Japanese nature have been disseminated in all parts of Shanghai by the Chinese societies. The local police have obtained 29 varieties of cartoons, 54 different kinds of posters and 58 varieties of handbills which have been displayed in Chinese shops and in some cases on busses and rickshas. Members of the local Kuomintang and groups of students deliver speeches of an anti-Japanese nature daily in the Chinese controlled city and in the vicinity of extra settlement roads.

There are about 300,000 Chinese laborers and their dependents who have been or may be affected by the boycott and the danger of the situation has been in a measure recognized in certain Chinese official circles who have adopted certain measures for the prevention of anti-Japanese agitation.

Although it is not possible at this time to predict with any degree of accuracy the length of duration of the boycott nor its ultimate economic effects on China and Japan, there is no doubt that certain Chinese mill and ship owners are making large profits as a result of the movement

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movement at the expense of Chinese laborers and clerks as well as the Japanese and that these Chinese capitalists are endeavoring to prolong the boycott as long as possible for their personal benefit as well as for patriotic reasons.

SOURCES OF INFORMATION

Articles published from time to time in the Shanghai press, a report issued by the Japanese Commercial Counsellor, statements issued by the Shanghai Municipal Council, Customs figures, personal interviews with American, Chinese and Japanese businessmen, and information obtained from various periodicals constitute the sources of information for this report.

800/610.21
JEB:JCH/wst

In quintuplicate to the Department of State;
One copy to the American Legation, Peiping, China;
One copy to the American Commercial Attaché, Shanghai, China.

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DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

January 7, 1932.

RECEIVED

JAN 12 1932

~~WHP:~~
~~SM:~~
RSM:
GHB:

SECRETARY

In the attached despatch dated December 11, 1931, the Consul at Mukden, Mr. Vincent, shows the degree of control which the Japanese authorities are exercising in Manchuria. In view of this Japanese control, Mr. Vincent states that it is evident that the Japanese plan to establish control over the major economic organizations of the territory, such as communications, mining, public utilities, and industrial enterprises.

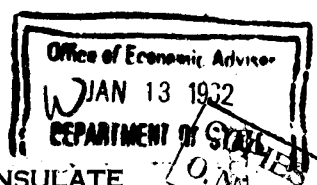
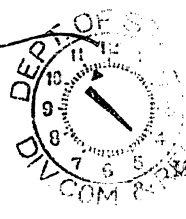
According to Mr. Vincent's information there are about fifty Japanese advisers or employees assigned to supervise various Chinese Government bureaus and large private concerns. There are eighteen such bureaus and organizations (see headings in the report).

[Handwritten signature]

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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

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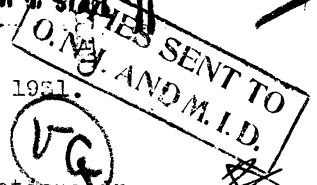
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AMERICAN CONSULATE

GENERAL
Mukden, China, December 11, 1931.



SUBJECT: JAN 4 32
Japanese Advisers in Chinese Organizations in South Manchuria.

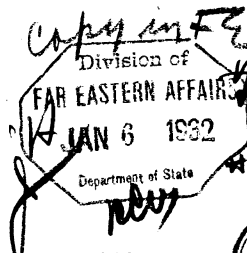
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THE HONORABLE

THE SECRETARY OF STATE,

WASHINGTON.

SIR:



RECEIVED

JAN 12 1932



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793.94/3402

I have the honor to enclose herewith a copy of a despatch to the Legation, Peiping, dated December 11, 1931, entitled "Japanese Advisers in Chinese Organizations in South Manchuria".

Respectfully yours,

John Carter Vincent
John Carter Vincent.
American Consul.

In quintuplicate.

enclosure

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Department of State letter, August 10, 1972
By Milton O. Lustig NARS, Date 12-18-75

No. 501

AMERICAN CONSULATE GENERAL

Mukden, China.

December 11, 1931.

SUBJECT: Japanese Advisers in Chinese Organizations
in South Manchuria.

The Honorable

Nelson Trusler Johnson,
American Legation,
Peiping, China.

Sir:

Believing that the Legation will find it of some interest, I have the honor to submit the following enumeration of the Chinese government, public utility, and commercial organizations in south Manchuria in which there are Japanese advisers, supervisors or managers.

Fengtien Local Peace Maintenance Committee. This Committee, which is exercising most of the prerogatives of a provincial government, has three official Japanese advisers, to wit: Messrs. Imai, Horiba, and Kambuka. There are reliable reports to the effect that in addition to these official advisers, there are about twenty Japanese who have attached themselves to the Committee and function either as "protectors" of the members of the Committee, or as "employees".

Mukden Municipal Office. Mr. Nakano is the Japanese adviser to the office and Mr. Okakita is special adviser

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Department of State letter, August 10, 1972
By Milton O. Lutz NARS, Date 12-18-75

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to the Mayor. There are also Japanese supervising the eight municipal departments, including the Foreign Affairs Office.

Fengtien Municipal Police. The Chinese police are controlled by the head of the local Japanese gendarmerie.

Fengtien Bureau of Finance. Mr. Irobe is Japanese adviser to this bureau.

Fengtien Bureau of Industry. Mr. Hashino is adviser to this bureau.

Fengtien Bureau of Telegraph Administration. This office is under the supervision of a Japanese censor.

Mukden Telephone Office. Mr. Nagagibe, Japanese, is the director of this office.

Chinese Post Office at Mukden. The necessity of appointing a special adviser or supervisor to the Post Office was avoided by the delegation of two Japanese employees already in the office to act in this capacity with full authority from Kuantung Army Headquarters to inspect all accounts, and correspondence and report to Headquarters as occasion demands.

The above applies to government organizations in Mukden. Although the Consulate General has not obtained information concerning provincial government in Kirin, and the municipal governments of Kirin, Newchwang, and Antung, it is a reasonable assumption that the system of Japanese advisership is just as embracing and effective in those cities as in Mukden.

Bank of the Three Eastern Provinces. This bank has a Japanese adviser, Mr. Suda, and eight Japanese councillors.

Frontier

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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

- 3 -

Frontier Bank. This bank is under the same control as the Bank of the Three Eastern Provinces.

Other Chinese banks in the city, notably the Bank of China and the Bank of Communications, although not as directly controlled by the Japanese as the two above mentioned Manchurian banks, are nevertheless subject to the supervision of Mr. Suda.

Lida and Company. This is a large Chinese import and export company owned by the Bank of the Three Eastern Provinces. It is now controlled by Japanese.

Mukden Cotton Mill. This Chinese mill recently reopened under Japanese management.

Fuchouwan Coal Mine. This, the largest of the Chinese mines in south Manchuria, has been taken over completely by the Japanese.

Penhsihu Coal Mines. A Sino-Japanese organization from which the Chinese have recently been ejected.

Mukden Electric Light Company. The light and power company, Chinese, is now completely controlled by the Japanese. It has a Japanese manager and Japanese heads of the various departments.

In connection with the above, mention should be made of the Chinese light and power plants at Antung and Changchun. These two plants have been closed by the Japanese, pending, according to the Japanese, the formation of a Sino-Japanese joint enterprise in the two cities.

Kirin-Changchun and Kirin-Tunhua Railways. These two Chinese railways, formerly under separate managements,

have

- 4 -

have now been placed under one management by the Japanese and this management is controlled by the Japanese; so much so, in fact, that Japanese act directly to settle the railways accounts and transact other business.

Ssuningkai-Taonan and Taonan-Angangchi Railways.

These two railways, due to "military emergency" are now being operated by the Japanese. It is understood that the managements of these two Chinese railways will be merged, as in the case of the Kirin-Chengchun and Kirin-Tunhua, and that Japanese will exercise control.

Fengtien-Hailung and the Kirin-Hailung Railways.

Japanese do not exercise the control over these two Chinese railways that they do over the railways mentioned above. However, they are subject to Japanese supervision.

With respect to the railways, it will be recalled that the Japanese have a preponderate financial interest in the Kirin-Chengchun, Kirin-Tunhua, Ssuningkai-Taonan, and Taonan-Angangchi railways, which, in a measure, explains their action. In the case of the Fengtien-Hailung and the Kirin-Hailung railways, however, the Japanese have no financial interest.

The Legation is fully informed with respect to the Newchwang Salt Gabelle. There are persistent reports that the Mukden Chinese authorities intend shortly to establish complete control over this salt office. The local authorities are also working on a plan for exercising control over the Chinese customs in Dairen, Newchwang,

and

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and Antung. With these authorities so thoroughly advised and supervised by the Japanese, such control would be, in effect, Japanese control.

The foregoing gives a fairly accurate insight into the character of present administration in south Manchuria. The Chinese composing it are neither representative nor able. They are entirely dependent on the Japanese for their existence as officials. And yet it is these men who are planning the establishment of an independent republic of Manchuria and Mongolia.

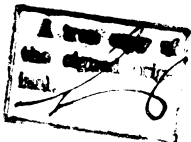
It is also evident from the foregoing that the Japanese plan to establish control over the major economic organizations of the territory, such as communications, mining, public utilities, and industrial enterprises. Their success will, of course, depend upon their ability to maintain and extend the present system of supervision.

Respectfully yours,

John Carter Vincent.
 American Consul.

Original and one copy to Legation.
 Five copies to Department.
 Copy to Embassy, Tokyo.

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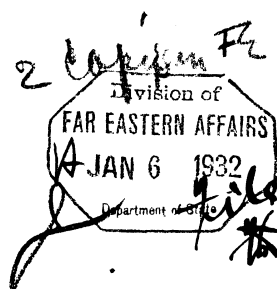
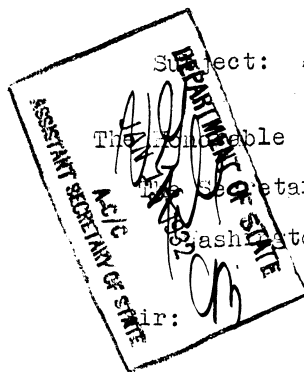
AMERICAN CONSUL SERVICE
American Consulate General,
Nanking, China

December 10, 1931.

JAN 4 32

Subject: Sino-Japanese Controversy

The Honorable
Secretary of State,
Washington.



I have the honor to refer to my telegram

No. 119 of December 8, 1931, reporting a conversation
held by me with the Chinese Minister of Finance,
1/ Mr. T. V. Soong, on December 7, 1931, and to enclose
herewith a Memorandum of that conversation.

2/ There is enclosed, likewise, a Memorandum of a
conversation held on December 4, 1931, by Consul Paul
M. Meyer with Dr. Loh Chia-luen, Director of the
Central Political Institute. Dr. Loh is a Kuomintang
Party leader and his observations may be assumed to
be based on a wide range of information.

3/ Finally, in order to show that the views of
Chinese leaders have been fairly consistent over a
period of weeks and agree fairly well with each other,
I enclose a Memorandum of a conversation held by me
on October 6, 1931, with Vice Minister for Foreign
Affairs, Dr. Frank W. Lee.

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The outstanding feature of the statements of these three Chinese officials seems to be a feeling that the net result of the connection of the United States with the controversy in regard to Manchuria has been unfavorable to China and favorable to Japan. The impression seems to be that the American Government tempered what might otherwise have been unsparing condemnation by the League of Nations of Japan's military invasion of Manchuria, and that the United States has failed to take, with respect to Japan's military measures, those steps which were to be expected of a sponsor of the Nine Power Treaty and the Pact against War.

Whenever an opportunity has been presented, I have endeavored to modify this impression, but without great success. The Chinese seem to attribute to the League's weakness the League's failure to curb Japan in Manchuria; the United States, on the other hand, they regard as the most powerful nation in the world, and one quite capable of holding Japan to her international obligations, if this had been desired by the United States.

Respectfully yours,

Willys R. Peck
Willys R. Peck.
American Consul General.

✓
Enclosures:

- 1/ Memorandum of Conversation, dated December 7, 1931, with Minister of Finance, Mr. T. V. Soong.
- 2/ Memorandum of Conversation, dated December 4, 1931, with Dr. Loh Chia-luen, Director of the Central Political Institute.
- 3/ Memorandum of Conversation, dated October 6, 1931, with Vice Minister for Foreign Affairs, Dr. Frank W. Lee.

In quintuplicate to the Department.
In duplicate to the Legation.
One copy to the American Ambassador, Tokyo.

MEMORANDUM OF CONVERSATION

December 7, 1931

Subject: Sino-Japanese Controversy and the
Future of the National Government.

Mr. T. V. Soong, Minister of Finance.
Mr. Peck.

Mr. Peck said that he had been puzzled by the recent lack of any important news at a time when, as everybody felt, a crisis was approaching. The student agitations seemed to constitute the only recent important news. Mr. Peck said he supposed that things were dragging along in Paris and that, internally, unification with Canton would soon be accomplished.

Mr. Soong observed dryly that the crisis which Mr. Peck spoke of was not approaching: it had already arrived. With regard to Canton, he said that the recent reports published in the newspapers that Canton had accepted the decisions arrived at not long ago in Shanghai were not true. Replying to a question, he said it was not so much General Chen Chi-tang who was preventing a settlement with Nanking, as Hu Han-min. He said the latter was doing his best to prolong the controversy. Mr. Soong spoke ironically of Hu Han-min's devotion to "revolutionary" ideals. He said that Hu Han-min at the meetings of the Central Political Committee used to denounce the Government for not being "revolutionary", and that on

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one occasion he, Mr. Soong, had stood up and asked Mr. Hu Han-min whom they were to be "revolutionary" against? Being themselves the Government, there seemed to be no one against whom to revolt.

Mr. Peck said that he saw in press reports that the Council of the League in Paris was elaborating plans for an international commission to proceed to Manchuria and was debating the creation of a neutral zone between Chinchow and Shanhaikwan. Mr. Soong said this was so, and that the Council was proceeding along the lines desired by Japan. Mr. Soong said that he had previously informed the Department of State, through Mr. Peck, what the plans of the Japanese in Manchuria were, as evidenced by statements made by General Honjo, Count Uchida and other prominent military and civilian Japanese officials, and Mr. Soong asserted that all the predictions then made were being fulfilled to the letter.

(Note: The reference is to Mr. Soong's informal memorandum telegraphed by Mr. Peck to the Legation in Peiping on October 6. On October 9 the Legation telegraphed a message from the Department to Mr. Soong, referring apparently to Mr. Soong's Memorandum. For convenience, a copy of the memorandum is attached hereto.)

In the case of the neutral zone what Japan proposed amounted to capitulation, and China would never consent to that. Japan openly insisted that the League resolution allow Japan to occupy the proposed neutral zone if China "created an incident" anywhere, even in Tientsin or elsewhere. Mr. Peck asked how many Chinese troops there were at Chinchow and Mr. Soong said that the neutral observers reported there were 23,000.

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 By Milton O. Lutz NARS, Date 12-18-75

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In regard to the whole matter of the controversy in Manchuria, Mr. Soong observed seriously and thoughtfully that China had received a great disillusionment. He said that China had been disillusioned in regard to what other nations would do to uphold China's ^{just} rights.

Mr. Peck remarked that, so far as the United States was concerned, President Hoover and Mr. Stimson had gone so far on China's behalf in collaboration with the League of Nations that they had incurred great criticism in the United States, as, for instance, from Senator Hiram Johnson. Mr. Soong replied, rather impatiently, that the United States had been in a position to take decisive action quite apart from the League of Nations. The United States might have summoned, and still might summon, an international conference to deal with the Manchurian question, perhaps under the Nine Power Treaty. He said the League of Nations would be entirely willing that the United States take some such measure.

(Note: It seemed to Mr. Peck quite possible that Mr. Soong had discussed this idea with Mr. Rajchman, of the League Health Section, and that he spoke with some knowledge of the attitude of League officials.)

Mr. Peck replied that he felt convinced that the League would be willing to transfer the responsibility for a settlement to some one else, but he recalled what Mr. Soong had said during an earlier conversation in regard to the danger that China might fall between two stools.

Mr. Soong said quickly that, of course, it would not do for the United States to embark on the course suggested unless the United States were serious and intended to see

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the matter through. Mr. Soong then apologized for being "un-diplomatic", but said that he had concluded from recent events that the American Government was not as interested in China now as it had been before, at the time of the Washington Conference, for example. He said that an impression had been growing among the Chinese that the attitude of the United States toward the controversy between China and Japan was decisively influenced by the fact that the United States had important financial investments in Japan. Mr. Peck interposed that, after all, the United States had financial interests to the extent of some hundreds of millions of dollars in China, as well. Mr. Soong did not comment on this statement, except to say that the financial interest of the United States in China was pitifully small. He seemed, himself, to place credence in the opinion which he quoted that the United States was inclined to favor Japan in the present controversy because the United States had made huge investments in that country, which investments it feared that it might lose. Mr. Soong remarked, incidentally, that people who had returned from Washington reported that President Hoover appears to dislike China and that Secretary Stimson is sceptical about the National Government.

*Example
of Government
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Mr. Soong said that the United States today furnishes a good example of "Power without responsibility". He said that he believed that while Briand was speaking in the meetings of the Council, he always had one eye cocked on the United States, and that the Council, before solidifying upon its attitude in regard to any phase of the dispute, always

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Department of State letter, August 10, 1972
By Milton O. Guttsman NARS, Date 12-18-75

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tried to find out what position the United States would take. Mr. Peck remarked that the United States, because of its great wealth, undoubtedly was an influential factor in deciding the trend of international events, but this power came as a natural increment, and was not sought by the United States. Mr. Soong replied that this might be so, but nevertheless there remained the fact that while the position taken by the United States decided matters of vital importance to other nations, the United States seemed to feel no responsibility in connection with these matters. Mr. Peck disputed this and called Mr. Soong's attention to the fact that the Secretary of State had even involved himself in an "incident", through being outspoken in connection with Japanese actions in Manchuria, on November 27. Mr. Peck inquired just what the United States could be expected to do at this juncture and Mr. Soong answered that the United States could take a definite stand which would prevent Japan from occupying Chinohow or Tientain. Mr. Peck observed that if the United States adopted too positive a tone toward Japan it might provoke a war between the United States and Japan and such a war could be a terrible thing. Mr. Soong said that nobody expected the United States to go to war with Japan for China, but that action by the United States would never result in war; all that would be necessary would be a definite pronouncement by the United States. For instance, a mere intimation of willingness to join with the League in imposing economic sanctions would halt Japan immediately, but the League could never impose economic sanctions without the cooperation of the United States. Mr. Soong felt that the attitude of the

United States

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United States had caused the League to adopt milder measures all through the meetings of the Council than otherwise it might have adopted.

Mr. Peck reverted to the statement made by Mr. Soong that the crisis in the life of the National Government had already arrived, and he asked in what this crisis consisted. Mr. Soong said that the Government was confronted with difficulties in every direction, e.g., by student agitation, by financial stringency, by difficulties of administration etc.

Mr. Peck inquired what the students were able to do to give so much embarrassment to the Government. Mr. Soong answered that they were able to do just what they were doing, namely, prevent the operation of Government organs, interfere with railway traffic and arouse feeling against the Government. He remarked that, for instance, the Foreign Office was practically functioning under his roof, because the students had threatened to attack the premises of the Foreign Office. Mr. Peck said that he supposed that the Government hesitated to use force against the students for fear of precipitating an "incident". Mr. Soong said that this was so, that the members of the Government had a "superstitious awe" of an "incident".

(Note: From the sarcastic tone of Mr. Soong's observation Mr. Peck inferred that Mr. Soong may have urged, unsuccessfully, that the Government take strong action against the students. On December 6 and 7 more than 200 students were marched through the streets of Nanking with their hands tied behind their backs and under military guard to be returned by railway to their respective institutions.)

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Department of State letter, August 10, 1972
By Milton O. Lustig NARS, Date 12-18-75

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What the students clamored for, Mr. Soong said, was that the National Government discard reliance on international agencies for justice and declare war on Japan. He said that popular sentiment demanding this course was getting continually more powerful and the Government was faced with the necessity of doing one of two things, neither of which was it able to do, that is, to declare war, and to refrain from declaring war. Mr. Soong said the National Government understood perfectly well that a declaration of war was just what Japan wanted, because war was beyond all law, and would enable Japan to legalize all of its lawless actions.

(Note: The French Minister told Mr. Peck recently that the French adviser, M. Padoux, had pointed this out to President Chiang Kai-shek and that the latter recognized the truth of the statement.)

Moreover, if war were declared troops would have to be concentrated in the North, and this would mean that Kiangsi would be completely over-run by the Communist forces. President Chiang Kai-shek had indefinitely postponed his journey to the North, for one reason, because the condition of affairs in Nanking demanded that he remain here. The Government feels, moreover, that having committed itself to international settlement of the Manchurian difficulty, it must adhere to that method. But it was impossible to explain all these things to the students and the public.

Mr. Soong said that the Government was very badly off financially. Mr. Peck inquired why this was so, whether the Government revenues had simply fallen off, or whether such revenues were being detained at their source in the provinces. Mr. Soong said that a considerable part of the salt revenues

were

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were being detained at their source, but that the difficulty was mainly caused by the failing of all revenues. For instance, the Japanese boycott not only diminished the Customs revenue, but greatly diminished the prosperity of the merchant class. He said that the boycott distinctly cut both ways. He said that the Chinese banking and business world was afraid to initiate enterprises, because of the continued uncertainty of the Government's diplomatic situation. In one way, he said, the Manchurian situation had been a God-send to him. He said he had secured a "strangle-hold" on the army financially and had, at one stroke, reduced the military budget from \$28,000,000 monthly to \$18,000,000. He said the provincial armies would stand this for a few months, because of the diplomatic difficulties with which the Government was confronted. Otherwise he would not have been able to make this reduction in the military allotments to the provinces.

Mr. Peck said that he had been told that one of the factors apprehended by the Government was that one or more of the provincial leaders would take advantage of the present difficulties and attempt to overthrow the National Government. Mr. Soong said very seriously that this was true, but when Mr. Peck named a number of the provincial leaders and asked whether any one of them was particularly feared in this connection Mr. Soong refused to be specific.

Mr. Soong said that it was problematical how long the National Government could continue to exist in the face of these various difficulties. He said he would like to prophesy,

however

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however, that if the present Government should cease to function, chaos would ensue for an indefinite length of time, possibly ten or twenty years. Perhaps another Government would ultimately be evolved, but in the meantime there would be indeterminate fighting back and forth across the country.

One thing might be expected as inevitable, he said, which was that communism would expand its influence in the country. Mr. Peck remarked that he felt convinced, from what he had heard, that there were organized communist states in southern Kiangsi and in Hupeh. Mr. Soong said quickly that this was true and that, if the Government disappeared, these communist areas would rapidly expand. He said that some years ago, at a time when China seemed to have no other friends, the Government had accepted the assistance of the Soviet Government. Subsequently the National Government had discovered its error and had thrown off the communists and there was no danger that the members of the present Government would repeat the experiment. Moreover, he said, the Soviet Government itself seemed to have abandoned the idea of utilizing bourgeois nationalism and probably would resort to different methods. Mr. Soong said that perhaps it was inevitable that China should go through a period of chaos and experiments with Communism.

Mr. Peck asked what form the downfall of the Government would take, if it occurred. Mr. Soong said that in other countries, where there was a King or a President, the members of the Government could resign; in the case of the National Government of China there is no one to whom the members of

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the Government collectively could present their resignations. Moreover, there was no place for the members of the Government to go to, if the Government disappeared. He said there seemed to be nothing to do except for the members of the Government to remain at their posts to the bitter end. But he felt sure that if the Government ceased to function as such, there would be nothing to take its place for a long time, as he had already said. This seemed a great pity, because the present Government had made great progress in its constructive enterprises. He remarked that many foreign experts of very high quality had come to China to assist in these enterprises, and that highly useful machinery had been created, such as the National Financial Commission and the National Economic Council. It seemed a great pity that all of these accomplishments seemed in danger of being swept away, thereby retarding the development of the country for many years.

Mr. Peck said that he personally was convinced that the disappearance of the present Government would lead to chaos and communism and would be disastrous to American interests and citizens in China. He said he thought that the American Government held similar views and that on this account it was impossible that the American Government, as intimated by Mr. Soong, should be indifferent to the fate of the National Government, for the American Government could not cynically expose American citizens and their interests in China to these dangers. Mr. Soong said that probably the American interests

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 Department of State letter, August 10, 1972
 By Milton O. Gustafson NARS, Date 12-18-75

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in China loomed large to Mr. Peck, but not so large to the American Government, in comparison with other interests.

Mr. Peck asked whether Mr. Soong thought that Dr. Koo, the Minister for Foreign Affairs, would insist on resigning. He said that Dr. Koo had been non-committal on this point when Mr. Peck saw him on December 6. Mr. Soong would return no answer to this question. Mr. Peck then made the same inquiry in regard to Dr. Alfred Sze, in Paris. Again, Mr. Soong would express no opinion, but he did remark that Dr. Sze's adviser, Dr. J. L. Illoughby, had had a nervous breakdown and been ordered by his physicians to go to London for a complete rest. He said that Dr. Illoughby's place had been taken by Mr. Olds, a member of the firm which attended to the Chinese Government bonds. Mr. Peck inquired whether this was Mr. Olds who had been Under Secretary of State and Mr. Soong replied that probably it was, because Dr. Arthur H. Young knew him very well.

Mr. Peck inquired whether, if the Government should be overthrown or otherwise go out of existence, the Kuomintang (Nationalist Party) would survive. Mr. Soong replied that the Nationalist Party would probably split into two extreme wings, the radical and the conservative, and that in the state of confusion which would then exist, the conservative wing would probably disappear. He remarked, however, that in the course of time the completion of the Nationalist Party had undergone a change. It had more or less ceased to be revolutionary and had become a bourgeois, conservative organization.

Mr. Peck remarked that this was a natural evolution. Mr. Soong said that when a revolutionary party found itself vested with authority, it began to frown upon revolutionaries

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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

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who might threaten the stability of the party.

Throughout the conversation Mr. Soong seemed to make a studied effort be restrained. He seemed even to feel a sort of philosophical detachment from the serious matters which he discussed, such as the possibility of years of chaos in China.

It was the attitude, apparently, of a man who for two months and a half had exerted his energies to the utmost extent and finally found himself faced with probable failure, owing to the operation of causes beyond the possibility of control.

Enclosure No. 1 with Memorandum of Conversation with
Mr. T. V. Soong, December 7, 1931.

(Sent to Mr. Peck by Mr. Soong, through Mr. M. Y. Tang,
at 10 p.m. October 5, 1931.

Sent to Legation in telegram October 6, 1 p.m.)

The following facts for H. L. Minister N. T. Johnson:

The attitude of the League of Nations weakened perceptibly on the reported announcement that the United States proposed to take no action concerning the Manchurian crisis. It is believed here that the attitude of the United States was inspired by an appeal from Shidehara that any public pressure on the part of the Powers would result in a military coup and the formation of a military dictatorship in Japan, and that on the other hand the Japanese Government desired and was succeeding in ordering military withdrawal.

Through reliable official reports from Manchuria and also from the interviews which the Governor of the Bank of China, Mr. Chang Kai Miao, with General Honjo, Consul-General Hayashi, Count Uchida and Mr. Taira, the last two as late as October 2nd. It is clear that both the Japanese military and civilians have the firmest determination not to withdraw troops, and further they are organizing local shadow governments in Manchuria and Mongolia, which will be autonomous and under their protection.

Such being the case, the Manchurian crisis is reaching to a crescendo and it is to be hoped that as the United States addressed both to China and Japan the hope that the two countries will withdraw their troops, and as Japan will not carry out her promise of so doing, the United

States

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DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

Enclosure No.1

-2-

States Government will make its influence felt in Tokyo, Japan not daring to oppose a firm attitude of the United States of America. This will encourage the League of Nations, particularly if the United States of American would assure the Powers that the United States will view with sympathy action calculated to bringing Japan to carry out her undertaking to withdraw her troops, which she morally bound herself to carry out before October 14th.

1945

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Department of State letter, August 10, 1972
By Milton O. Quitsman NARS, Date 12-18-75

CONFIDENTIAL

MEMORANDUM

Subject: The effect of the Sino-Japanese crisis
Upon the Chinese Political situation.

Loh Chia-luen, President of the Central Political
Institute, Former President of
Tsinghua College.
Consul Paul W. Meyer.

December 4, 1921.

Mr. Meyer called upon Dr. Loh very informally on the afternoon of December 4th at the Central Political Institute for the purpose of asking Dr. Loh whether he could give him any information on the present status of the Mouleus case. After this subject had been discussed Dr. Loh indicated that he would like to say something about the present political situation. He stated that he wished his remarks to be considered not the remarks of a government official nor a Party member, but as the remarks of a Chinese, a student of History, and one who was well acquainted with present international problems and Chinese internal conditions. He stated that if his name were used his remarks should be considered confidential.

Dr. Loh began by saying that he was very much discouraged over the difficulty of a settlement of the Manchurian question, and that he saw no hope for the

present

1946

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Stutzman NARS, Date 12-18-75

-2-

present government and the Party. He said that the silence of the State Department was having an encouraging effect upon the Japanese and a distinctly discouraging and disheartening effect upon the Chinese people. He stated that if the American State Department would give Chiang Kai-shek something to tell the people the Government and the Party could be saved. He stated further that he and many other Chinese felt that the Department of State was not considering the Manchurian issue as seriously as it should.

Referring to the League of Nations, Dr. Loh stated that he believed that there would be an upheaval in China when the League published its forthcoming resolution. He stated that it would not be merely agitation. Mr. Meyer remarked that at present the situation appeared much quieter than for some time. Dr. Loh said that was true on the surface but that there was much activity under the surface. He stated that the recent visits of student groups to Nanking should not be considered as childish, that they were symptoms. He stated that there was evidence that the students were sent to Nanking by persons who hoped that some incident would occur which could be used to overthrow the present Government. According to Dr. Loh Peking University students in Nanking yesterday circulated pamphlets openly denouncing the present government.

With reference to the activities of the Communists in this situation, Dr. Loh pointed out that the minds of the Chinese at the present time were fertile ground

in

-3-

in which the seeds of communism could be planted. He stated that evidence of the presence of communist agents was becoming apparent everywhere. Already communists were pointing out that no hope could be expected from the capitalist countries. Dr. Loh remarked that the best organized of all the political groups in China are the communists; that the present government is the only organized body to oppose the communists; and that if the present government falls there will be no organization to oppose them. Dr. Loh said that he was willing to venture the prophecy that if the present government falls, and there is apparently nothing now that can keep it from falling, there will be chaos in China for the next 20 years, with all its consequences for China and its foreign complications.

Dr. Loh stated that if Japan is successful in its Manchurian venture, there would be a major international conflict within five or six years.

Dr. Loh also pointed out a danger which he said existed at the present time and that was that one of the Generals could easily overthrow the Government by sponsoring the public cry for a change in the policy which is now being followed. He considered this a very real danger to the present Government.

PWM:MCL

Memorandum of Interview.

October 6, 1931.

Subject: Sino-Japanese Controversy.

Dr. Frank W. Lee, Acting Minister for Foreign Affairs.
Mr. W. R. Peck, Counselor of Legation.

Dr. Lee called to inquire whether Mr. Peck had any information regarding possible action by the American Government with a view to bringing about a settlement of the Sino-Japanese controversy in Manchuria. Mr. Peck said he had received no recent information from the American Minister in regard to this, but he described to Dr. Lee the conversation he had held with the Minister of Finance, Mr. T. V. Soong (who is also Vice Chairman of the Special Foreign Affairs Committee), at 7 p.m. on October 5, 1931, and he told Dr. Lee that he had reported to the American Minister very fully by telegraph the statements made by Mr. Soong during the interview.

Dr. Lee intimated that popular discontent with the lack of results from the course followed by the Chinese Government in its handling of the Manchurian crisis was growing to serious proportions. There is an increasing conviction among the Chinese people that the Government adopted a futile course in referring the case to the League of Nations and to the signatories

of

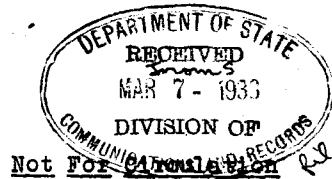
-2-

of the Kellogg Pact and attacks on the Government are growing in intensity. The only thing that could assist the Chinese Government in its task of maintaining its position and restraining the Chinese people would be some decisive action on the part of the League or of the Kellogg Pact signatories. Dr. Lee intimated that there was in China a feeling of surprise, almost indignation, that the United States had not come out more strongly on behalf of China's rights. Dr. Lee drew attention to the fact that under Article I of the Washington Conference Treaty relating to Principles and Policies, the United States and the other Powers signatory to the Treaty had agreed to respect the territorial and administrative integrity of China, and that the Treaty (Article VII) provided that whenever a situation arose involving the application of the stipulations of the Treaty, there should be full and frank communication between the Contracting Powers concerned.

Dr. Lee expressed the view that a time had come when the United States might advantageously make use of the provisions of this Treaty.

WRP:MCL

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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75



DEPARTMENT OF STATE
THE SECRETARY

OK
Not for circulation

December 10, 1931.

MEMORANDUM OF CONVERSATION BETWEEN SECRETARY STIMSON
AND THE JAPANESE AMBASSADOR, MR. KATSUJI DEBUCHI.

Dinner at Japanese Embassy.

CONFIDENTIAL

During the call today of the Japanese Ambassador I told him I had a suggestion to make to him about a personal matter - it was that in view of this threatening imminence of General Honjo's advance he should postpone his invitation for his dinner to me at the Embassy from January 4th until some later date, as in case General Honjo advanced it would be embarrassing for me to go. He said he was embarrassed himself because he had already invited several other diplomats. I told him, on his own suggestion, that in that case I would accept with the understanding that if such an embarrassment occurred I could be absent owing to a diplomatic illness.

HLS.

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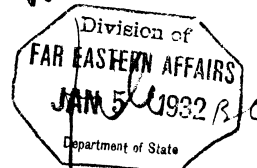
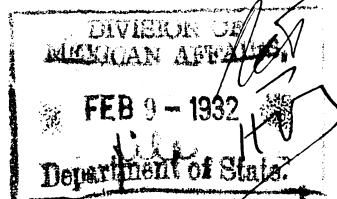
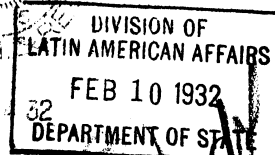
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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75



EMBASSY OF THE
UNITED STATES OF AMERICA

Mexico, December 28, 1931.

No. 1099



793.94

F/DEW

793.94/3405

The Honorable
The Secretary of State,
Washington.

Sir:

I have the honor to enclose a translation of a
editorial published in the afternoon edition of EL
UNIVERSAL GRAFICO, of December 26, 1931, commenting
upon a note said to have been sent by the Japanese
Government to that of the United States, in which
the Japanese Government is reported to have stated
that its rights in Manchuria are greater than those
of the United States in Nicaragua. EL GRAFICO DE
LA TARDE is of the tabloid size and not of particu-
lar importance, although it is the only daily after-

noon

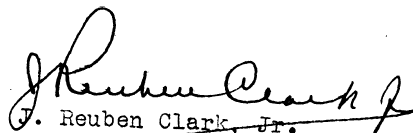
FEB 12 1932

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

- 2 -

noon paper published in Mexico City.

Respectfully yours,


J. Reuben Clark, Jr.

Enclosure, ✓

Translation of an article published in EL UNIVERSAL
GRAFICO, December 26, 1931.

710 U.S. - Japan.

JCS:B

Enclosure to despatch number **1099** of December 28, 1931,
from the American Embassy in Mexico City.

TRANSLATION.

(EL UNIVERSAL GRÁFICO: December 26, 1931)

THE JAPANESE REPLY

There is scarcely a country in America which has not received an affront, tangible or disguised, from the United States. This is so obvious, so historical a truth that we can not be accused of being anti-Yankee for citing this fact in connection with current happenings.

Every nation on the continent and its islands has more or less serious reason for resentment against the United States: from the iniquity become brutality in Haiti, Santo Domingo, and Nicaragua, to the economic arrogance and tariff wall against the Argentine. We insist that there is not a single country from the Rio Grande to Cape Horn which has not been the victim of the lack of tact, the overbearing imperialism (of the United States). And let us remember once more how Mexico was beset in the fatal year '47, not to mention other injustices which can never be forgotten.

Now that the world is discussing the attitude of yellow imperialism, a word has been spoken which is worth more than all the fleets, than all the clauses of all the codes written by man. Japan, upon learning of the protests of the United States against the occupation of Manchuria, has replied, without mincing words, that it has more rights in the Far East than the United States could have in Nicaragua, "for example".

This

-2-

This answer is a slap to international hypocrisy, an outcry of truth in the face of the humanitarian zeal of those who employ injustice and extortion as their daily weapon. Those of us who know the case of Nicaragua -- all the Americans who are not blond -- know how cruel has been the Calvary of that small Central American country, in which the United States is, according to its own statistics, the smallest investor of any country in the world (no tienen sino el minimum de capital de los demás países del mundo). Despite this situation, which is the pretext for armed intervention with a view to removing and setting up governments in Nicaragua, the Yankee forces continue to occupy Central American territory, (in a land) more unfortunate than Manchuria, because no protest other than that of the Nicaraguans has been made against this attitude.

The United States has no railways, banks, large estates, or other worthwhile economic interests in Nicaragua. The United States has not the Japanese problem of a density of population which seeks expansion even in the snow-covered steppes of Manchuria. It is easy to decide which of the two imperialisms is the most reprehensible.

Translated by
KCT

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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

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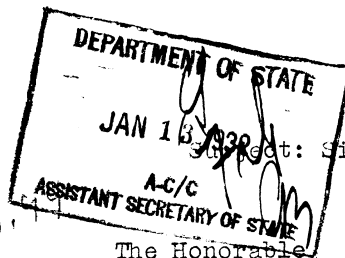
AMERICAN CONSULAR SERVICE

American Consulate General
Nanking, China.

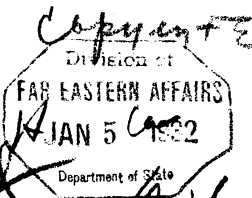
JAN 4 1932

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December 4, 1931.



Subject: Sino-Japanese Controversy in Manchuria.



The Secretary of State,
Washington.

Sir:

On Sunday, October 18, 1931, when walking in the hills near this city, I fell in with three Chinese students of the Central Military Academy, young men about twenty-two years of age. They were engaged in some sort of practice field work, but when they found that I could converse with them in Chinese and was an American, they immediately began to discuss the Japanese military operations in Manchuria. I was struck by the intensity of their feeling against Japan and by their desire to fight Japan if the League of Nations failed to bring about a just settlement of the questions at issue between China and Japan. For youths of their age, their views in regard to international relations centering on the Pacific area were surprisingly mature. Their feeling on the subject of Manchuria was partly explained by the fact they were members of a body of three hundred cadets brought to Nanking from that region. I was especially struck by their anxiety lest Japan, with

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what they assumed to be superior facilities for influencing world opinion, should be able to convince the world that Japan's rights to Manchuria, both from the legal and equitable standpoints, are superior to the rights of China. I also discovered that they implicitly believed that Japan's activities in Manchuria were based upon the plan outlined in the so-called "Tanaka Memorial", a Chinese translation of which they possessed and asked permission to send to me the next day. I understand that the Japanese Government insists that this document, as published, is spurious, but evidence goes to show that all grades of Chinese officialdom and the public believe that its arguments and policies motivate Japan's actions at the present time.

In the belief that it throws an interesting light on the state of mind of the Chinese, I have the honor to enclose herewith a translation of the letter I received from my Chinese student acquaintances, transmitting a copy of the Chinese translation of the "Tanaka Memorial".

I enclose, for the same reason, the translation of a leaflet distributed by a band of some eight hundred students, hailing from Hsuehowfu, Northern Kiangsu, who were demonstrating in front of the Chinese Foreign Office on December 2, 1931. It will be observed that the leaflet insists that the League, the Pact against War, and the

Nine

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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

-3-

Nine Power Treaty have all demonstrated their futility
and that unless the Chinese wish to become slaves, they
must leave everything to the decision of war.

Respectfully yours,

Willys R. Peck
Willys R. Peck,
American Consul General.

✓
Enclosures:

Translation of a letter from Chinese students.

Translation of a leaflet from Chinese students.

Five copies to the Department.
Two copies to the Legation.

800
WRP-T

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

Enclosure No. 1 to despatch No. 153 of Willlys R. Peck, American Consul General at Nanking, China, dated December 4, 1931, on the subject: "Sino-Japanese Controversy in Manchuria."

Personal letter from Messrs. Hsiao Tung-kuei and Shen Fo-shih, students of class No. 9, 6th company, Central Military Academy, dated October 19, 1931, to Mr. Willlys R. Peck.

Dear Mr. Peck:

We felt greatly honored by the talk we had with you yesterday (Sunday) in the country.

The attendance of the American delegate at the League of Nations meetings was agreeable to all nations among whom, however, the Chinese delegation was most sincere in the expression of their warm welcome. Japan's occupation of our Three Eastern Provinces seriously affect the peace in the Far East, thus violating the Pact for the Renunciation of War. This also means that she looks down upon all civilized nations. Her ambition is not limited to the invasion of Mongolia and Manchuria, but also includes the so-called "Continental Policy", i.e., the bringing of Asia into her dominion and the exercise of hegemony over the Pacific Ocean. Her plot to break world peace is quite evident.

Chinese are peace-loving citizens and abide by the Kellogg Pact. We adopted the "non-resistance" policy on the present occasion of the Japanese occupation of Manchuria. In fact, however, Chinese are brave enough to meet foreign invasions.

Recently, the situation has been aggravated by Japanese troops. There is an report that Japan intends

to

-2-

withdraw from her League membership. This proves that Japan has taken decisive steps in invading China. If the League fails to stop such activities, it is inevitable that China will fight a desperate war against Japan. Unification of China is now hopeful and all leaders will unite as one man to deal with foreign invasion. Chinese nowadays are not those of fifty years ago. We believe that by uniting in dealing with Japan, final victory may be assured.

The United States of America is one of the important countries which prefers and promotes peace. "Peace" is what Chinese by nature like. As the United States of America and China are closely related, at the present time of national crisis, we hope that your Government will be so kind to help China.

With compliments.

Tsao Tung-shan.

Shen Ho-shih.

Enclosure:

1 copy of Tanaka Memorial,
outlining the positive
policy in Manchuria and
Mongolia.

Enclosure No. 2 to despatch No. 153 of Wilfredo R. Isch, American Consul General at Hankow, China, dated December 4, 1931, on the subject: "Sino-Japanese Controversy in Manchuria."

A letter to fellow countrymen

From: Petitioning Commission of the Anti-Japanese and National Salvation Association of the Harbin Liang School, Harbin, China.

Dear fellow countrymen, countrymen who are going to be homeless slaves! Awake, and awake immediately to save yourselves! Our country is now nearing extinction!

It has been more than two months since the Manchurian incident occurred. During these two months, what the Great Slaves have done in the Eastern Provinces has been to damage the facilities of communication, imprison and insult Government officials, bombard cities and towns, and kill our fellow-countrymen. They also perpetrated all sorts of atrocities. Will not all people of spirit be filled with anger and vengeance?

The National Government, in order to maintain peace in the Far East, has instructed the people to remain calm and to wait for a settlement by the League of Nations. However, the League has not been able to do anything and its prestige has been humbled. Japan, on the other hand, continues her invasion, and has barbarously killed our fellow-countrymen by cannon, machine guns and war planes. Not only have the British soldiers never been withdrawn, but they have recently occupied Mitsihar and Chin Min and are even beginning an extensive attack on Chin Chow.

Fellow Countrymen, the Pact Outlawing War and the Nine Power Treaty signed at Washington are useless agreements. To meet the national crisis confronting us we

must

-2-

must rely entirely upon self-salvation. We must not delude ourselves any longer with dreams of "justice". Under the present circumstances, there is no way to save ourselves other than to exert ourselves to kill the enemy and to fight a finally deciding battle with the Japanese, if we are unwilling to be homeless slaves. We have a glorious history of fifty centuries, a dominion of more than thirty million square li, and four hundred million wise and courageous countrymen. Does anybody believe that they are willing to be trampled down by Japanese and black slaves? I think not, absolutely impossible! Bismark once said "The principle of right can not be relied on; only Blood and Iron can be relied upon." Although this statement is imperialistic, is it not true from the standpoint of the present situation? Fellow countrymen, let us immediately be armed, united as one man, and fight, to the last drop of blood, for our national dignity and the existence of our race. If we can exert our efforts uninterruptedly until we succeed, and decide "rather to lose our lives by gunfire than to become homeless slaves", we will never fear, even though Japan is strong.

Dear fellow-countrymen! Awake, and awake immediately to save yourselves.

Printed by: Publicity Department,
Students Association,
Hanchow Middle School.

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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

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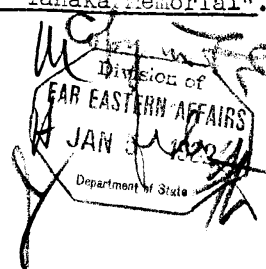
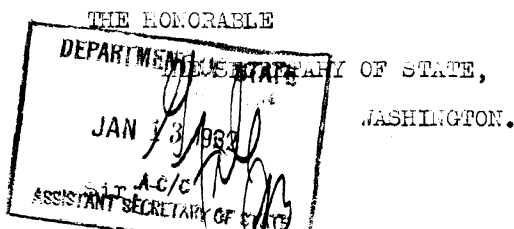


AMERICAN CONSULATE GENERAL,

Hankow, China, December 1, 1931.

Subject: JAN 432 Japanese reply to the "Tanaka Memorial".

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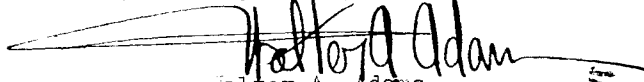
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I have the honor to attach hereto a copy of a despatch addressed to me under date of November 24, 1931, from the Japanese Consul General on the subject of the "Tanaka Memorial".

The enclosure with the despatch to the Japanese Consul General is also attached hereto.

I surmise that the Department has already seen the Japanese reply to the Tanaka Memorial pamphlet and my object in transmitting to the Department the attached communication is merely to acquaint the Department with the action of the Japanese Consul General.

Respectfully yours,


Walter A. Adams,
American Consul General.

JAN 16 1932

FILED

Enclosure:

Copy of a despatch dated November 24, 1931, from the Japanese Consul General, Hankow, to the American Consul General, Hankow.

In triplicate to the Department.

Copy to Legation.

Copy to Nanking.

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

Copy.

CONSULATE GENERAL OF JAPAN

HANKOW.

November 24th., 1931.

Sir and dear Colleague,

In view of the fact that the so called "Memorial of ex-Prime Minister Tanaka" have been reprinted in great number by a certain notorious Chinese propaganda organ and distributed among foreign residents in Hankow, I have much pleasure to enclose several copies of an explanatory leaflet in order to dispell any wrong impression which may possibly have been given among the readers of the said "Memorial".

Under the circumstances, I shall be greatly obliged to you if you will be so good as to circulate the attached leaflets among your friends who may happen to be interested in the question of this nature.

I have the honour to be,

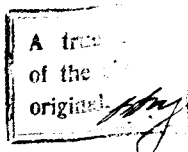
Sir and dear Colleague,

Your obedient servant,

Junzo Sakane,
H. I. J. H'S Consul-General.

Walter A. Adams, Esquire,
American Consul-General,

H A N K O W.



DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
 Department of State letter, August 10, 1972
 By Milton O. Gustafson NARS, Date 12-18-75

REAPPEARANCE OF "TANAKA MEMORIAL" PAMPHLET.

It is a great deal of surprise to us that anti-Japanese agitators in China, who are famous for their propaganda ingenuity, should have run so short of their propaganda materials as to flood us with their stale and almost antiquated stuff. Through the untiring efforts of the notorious Chinese propaganda organ, the Chinese Critic, the reprints of the so called "Tanaka Memorial", a document, which has long ago exposed its nature of forgery, have reappeared and have been distributed in various quarters in Hankow and elsewhere in China.

While every observer of the events in China and Japan in the past few years must be aware that the story, very cleverly put forth in the above "Memorial", is a pure fabrication, let us show of the basic proofs showing the ingenuous forgery of the document in question in order to dispell the possible wrong impression to be given to the new readers of the pamphlet.

As was definitely explained by the Japanese authorities in a note to the Ministry of Foreign Affairs of the Nanking Government in the spring of last year, there was absolutely no truth in the allegation that the late General Baron Tanaka had made such representations to the Emperor as were contained in the forged document.

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
 Department of State letter, August 10, 1972
 By Milton O. Gustafson NARS, Date 12-18-75

- 2 -

The introductory remarks of the so called Memorial to the Throne contain a passage to the effect that after the conclusion of the Nine Power Treaty at Washington the Japanese ingress into Manchuria and Mongolia was entirely checked, the public opinion was roused, the late Emperor Taisho held a secret conference with Prince Yamagata and other dignitaries of the Army and Navy to discuss a scheme for counteracting the effect of the Nine Power Treaty, and consequently Baron Tanaka was sent to Europe and America for the purpose of carrying on secret enquiries regarding the opinion of the leading statesmen there.

22 The falsehood of this statement can be proved by a mere mention of the dates of new events surrounding the alleged fact. The Nine Power Treaty was signed on February 5, 1923. In November of the preceding year the Prince Regent assumed charge of the affairs of the State owing to the illness of the Emperor Taisho, while Prince Yamagata became confined to his bed in October of the same year and died on February 1, 1922, prior to the signing of the Nine Power Treaty. Thus it will be seen that the sequence of events as narrated in the so called Memorial does not coincide with the actual history.

As regards the story of Baron Tanaka's visit to Europe and America, it is on the record that he went abroad on three occasions in his lifetime, viz., (1) he stayed in

- 3 -

Russia from 1897 till 1902, (2) visited Europe and America during 1913 and 1914, and (3) went to the Philippines in February, 1922, to pay a return visit to the Governor General of the Island. After signing the Nine Power Treaty, neither Europe and America saw Baron Tanaka on their soils.

The introductory remarks above referred to also represent Baron Tanaka as stating to the Emperor that when he (Baron Tanaka) passed through Shanghai on his journey from his secret mission to Europe and America on the subject of Manchuria and Mongolia his life was attempted by a Chinese with a bomb at a wharf and an American lady was injured. As a matter of fact this incident took place on his return trip from the Philippines. It is unimaginable that a Memorial to the Throne should contain such a false statement.

The allegations contained in the literature in question are so absurd and native that nobody conversant with the affairs of Japan would believe them. That is why the Japanese Government have not taken any steps to correct or protect against them for a long time.

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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

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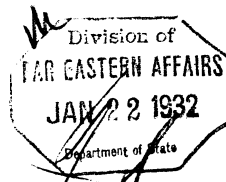
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JAPAN SECRETARY'S OFFICE

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田中併吞滿蒙奏摺

中國評論週報社印行

上海北京路五十號

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Secret
MEMORIAL
Concerning Manchuria, Mongolia, China
U. S. A. & the World

Submitted by
GENERAL TANAKA

(The then Premier of Japan)
to
The Japanese Emperor
in
1927

(7TH EDITION)

HIGH LIGHTS OF THE MEMORIAL

1. For settling difficulties in Eastern Asia, Japan must adopt a policy of "Blood and Iron."
2. In order to conquer the world, Japan must conquer Europe and Asia; in order to conquer Europe and Asia Japan must conquer China, and in order to conquer China, Japan must first Conquer Manchuria and Mongolia, Japan expects to fulfil the above programme in ten years.
3. Japan regrets that she has signed the Nine-Power Treaty which was intended by England and America to crush her interests in Manchuria, for thereby she agrees that Manchuria and Mongolia are Chinese territory. This has greatly hampered the freedom of Japanese policy in Manchuria.
4. Japan believes wars in near future with U.S.A. and with Russia are inevitable, so in order to get militarily prepared, Japan must build the Kirin-Hweining and Changchun-Talai railways in Manchuria.
5. The South Manchuria Railway Co., act in Manchuria as the Governor-General in Korea. In order to blind the eyes of the world and forestall the disclosure of secrets at present, the Colonial office nominally controls affairs of Formosa, Korea, and Saghalian islands, only, while really it manages affairs of Manchuria.
6. Japan must take strong steps on basis of Twenty-one demands, to secure priority for building railroads, right of timbering and exploiting 19 iron and coal mines in Fentien.
7. Japan should spend yen 1,000,000 from "Secret funds" of Army department in order to send 400 retired officers dis-

guised as teachers and traders, scientists, and Chinese citizens to Mongolia to influence the Mongolian princes to revolt against China.

8. Koreans should be utilized by Japan as vanguard for colonization of and as spearhead for penetration into, Manchuria and Mongolia.

9. Taking advantage of the local disorder in Fengtien, Japan should manipulate the situation so that the Fengtien Bank notes will depreciate to zero, and the Yen will take to its place.

10. Japan must enjoy monopoly of supplies of beans, bean cakes timber, coal, iron, fur, wool, and all other products of Manchuria and Mongolia and perfect control of transportation so that Chinese influence would be wiped out, and Europe and America, when in need of these supplies, would be at the mercy of Japan.

(From The China Critic)

TANAKA MEMORIAL

*Memorial Presented to the Emperor of Japan on July 25, 1927,
by Premier Tanaka, Outlining the positive
policy in Manchuria.*

(Reprinted from THE CHINA CRITIC Vol. IV No. 39,
Sept. 24, 1931.)

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 27th to July 7th lasting in all eleven days. It was attended by all the civil and military officers connected with Manchuria and Mongolia, whose 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. It extends an area of 74,000 square miles, having a population of 28,000,000 people. 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 forestry, minerals and agricultural products is also unrivalled elsewhere in the world. In

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DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

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 our imperialistic policies, the Company forms a peculiar organization which has exactly the same powers as the Governor-General of 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 domestic affairs. The authorities of the Three Eastern Provinces are also awakened and gradually work toward 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 restriction of 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 in-

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secure and our national strength will not increase. Moreover, the resources of wealth are congregated 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 resources of South Manchuria which we won by the Russo-Japanese War will also be 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 neighbourhood 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 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 exceed 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 the navy to find a way to counteract this new engagement. I was sent to Europe and America to ascertain secretly the attitude of the 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 out personally from the political leaders of England, France and Italy. The sincerity of these expressions could 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

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secure and our national strength will not increase. Moreover, the resources of wealth are congregated 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 resources of South Manchuria which we won by the Russo-Japanese War will also be 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 neighbourhood 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 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 exceed 6,000,000. Then we shall be confronted with greater difficulties in Manchuria and Mongolia.

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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 in 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—

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policy of national suicide. England can afford to talk about trade relations only because she has India and Austria to supply her with foodstuff and other materials. So can America because South America and Canada are there to supply her her needs. Their spare energy could be entirely devoted to developing trade in China to enrich themselves. But in Japan her food supply and raw materials decrease in proportion to her 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, lest one day when China becomes unified and her industries become prosperous. Americans and Europeans will compete with us: our trade in China will be ruined. Minseito's 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 by 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 Mongolia is the first step if the Yamato race wishes to distinguish themselves on Continental Asia. Final success

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belongs to the country having food supply; industrial prosperity 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 these 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—NOT CHINESE TERRITORY

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 never were 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. However, the most unfortunate 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 sover-

ign 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 the rights in Manchuria, we should take forceful steps on the basis of the Twenty-One Demands and secure the following in order to safe-guard the enjoyment of the rights which we have 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 purpose 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 stationing our Police 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. Exclusive rights of mining in Heilungkiang.
10. Right to construct Kirin-Hueining and Changchun-Talai Railways.
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 the 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 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 19 Japanese retired military officers in the house of the Tushiyeh. We have acquired already 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

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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 the 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 lands at one-tenth of their 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 replenish 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 teacher 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

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country. Both because of the freedom they enjoy in Manchuria due to 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. The unlooked for development is fortunate for our country indeed. 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 both be the vanguard for the colonization of virgin fields and furnish 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 jurisdiction as under Chinese 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 regulations 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 (Totoku 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 the 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 the favourable development 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 7,200 to 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 miles 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 circle 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 succor. 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 bank-notes 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 the South Manchuria Railway. We therefore protested strongly against it.

That these railways were built was due to the fact that our official 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 is rumoured that the Fengtien Government is planning to build a railroad from Tahushan to Harbin via Tung Liao 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 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 for curtailing our power provided by the Nine Power Treaty will be carried out. Moreover, the completion of these two railroads will render the South Manchurian 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 railroads 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 especially 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 of 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:

1. Suolun-Taonan Railway.
2. Kirin-Harbin Railway.

Soviet Russia proposes:

1. Anta-Potung Railway.
2. Mienpo-Wuchang-Potuna 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. For 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 the 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% go 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 in 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 sea-port in the Far East, they cannot give up the Chinese Eastern Railway without losing also their foothold on the Pacific. This makes us feel the more uneasy.

On the other hand, the South Manchuria Railway is not adequate for our purpose. Considering our present needs and future activities, we must control railways in both North and South Manchuria, especially in view of the fact that the re-

sources of North Manchuria and Eastern Mongolia will furnish no room for expansion and material gains. In South Manchuria the Chinese is 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 this 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 draw swords with Russia again in the fields of Mongolia in order to gain the wealth of North Manchuria seems a necessary step in our program of national aggrandisement. 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 railroads are completed, we shall pour our forces into North Manchuria as far as we can. When Soviet Russia intervenes, as they must, that is our opportunity for open conflict.

WE SHOULD BUILD THE FOLLOWING RAILWAYS

1. Tungliao-Jehol Railway. This line is 447 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 the 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 railways 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 the 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 over 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 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 facili-

des for Chinese migration into a new region and spoil our own policy. Look at our experience with the South Manchuria Railway. Hasn't that served the interest of China? The redeeming feature, however, is the fact that the land and mines along this railway are in the possession of Mongolian princes. If we can gain possession of them first, 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. Only if we try hard enough, no Chinese foot-prints will be found on Mongolian territory.

3. A Section of Changchun-Taonan Railway. As this line runs from Changchun to Fuyu and Talai, the section between Changchun and Taonan is about 131 miles and costs 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 prejudice the Chinese Eastern Railway to 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 the Yuehliang Falls which could be harnessed for electric power. That this section of the railway will be a prosperous center 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 through three directions; namely, by ways 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 whole line the population is sparse and the land is rich and extensive. No fertiliser will be required on the farms for fifty years. A 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-stuff 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 of Meiji's 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 this 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 2 ft. 6 inches 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. Now 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 Meiji's 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, Wotsu, Fuyu, Kitan Pohai and Nuchen at different stages of history. They were of a mixed race. The forefathers of the Manchurian dynasty also began 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 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. Moreover, 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 food-stuff 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 direction 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 Japanese 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 war with Soviet Russia sooner or later. The battle ground will be Kirin.

When we carry out the third step of Meiji's plans with regard to China, we shall have to do the following things:—

1. Mobilise the army divisions in Fukuoka and Hiroshima, 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 Kirin-Hueining Line to North Manchuria.

4. Send the army divisions in Hokkaido and Sendai to embark the ship at Aomori and Hakodato, 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 Shanhaikuan 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 the lack of supplies.

Let us now analyze once more the Kirin-Hueining Railway from the standpoint of its access from our ports.

First, with Chingchin as starting point:

1. To Vladivostok130 miles
2. To Tsuruga475 miles
3. To Moji500 miles
4. To Nagasaki650 miles
5. To Fusan500 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 an industrial center.

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 migrate thousands upon thousands of people into this region and 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 tunneling would need modern and up-to-date machines. 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 be brought in. The cost of construction could therefore be reduced at least thirty per cent and the time required forty 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 ton is fallen 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

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 By Milton O. Gustafson NARS, Date 12-18-75

this line. Or else, the United States may buy from the Feng tien 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 the "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 timber from Kirin to Osaka via Changchun and Dairen, there is a distance of 1,385 miles. For every cubic foot, we have to spend 34 cents. 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 5.00 per ton 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 industry 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 collieries. With both coal mines in our control, we hold the key to the industries of all China. Speaking of the Hsinchin coal, we shall reap a profit of Yen 5.00 on each ton when it is shipped to Japan. With additional chemical by products, we shall reap a profit of Yen 10.00 from each ton of

coal. Taking an average profit of Yen 15.00 a ton, the total profit will amount to 200 billion yen. All this comes 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 the 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 oil and 600,000 of bean cakes, besides many places for making vermicelli. All these will depend upon the new railway. The trade along this road may be estimated at 4 million 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 resources of wealth in North Manchuria. It only takes three hours from Chingchin to Hueining, three hours from Hueining to Sanfeng and three hours more from Tumen river to Lungchingsun. 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.

4. *Hunchun-Hailin Railway.* This is 173 miles long and costs 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. In order to transfer the prosperity of Vladivostok to Hueining, this line is also urgently needed. The greatest hope for

prosperity, however, is the fact that south of Naining and north of Tunhua there is Lake Chungpo which can be used to generate electric power. With this electric 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 power 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 neighborhood 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 Niigata and Hailin, the Oju Paper Mill has acquired extensive rights of lumbering. They need the immediate establishment of the power plant at Lake Chingpo 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 to themselves the wealth of North Manchuria. By building the Hunchun-Hailin Railway we shall not only strengthen 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 cannot 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, soybeans, bean cakes, and iron, forms one-twentieth of the total volume of world trade. And it is steadily increasing. But the 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 Antung 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 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 of 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 percent 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 cooperative exporting house to China. The steamship lines and the South Manchuria Railway should give it special discounts, and the government in Kwangtung 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 the monopoly sale of their products. We must have the rights of monopoly for the sale 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 the 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 percent of the total trade of Manchuria and Mongolia. Fifteen navigation routes radiate out from it with definite sailing schedule. Most of it is costal sailing. We have in our grasp the entire transportation system of Manchuria and Mongolia. The monopoly sale of Manchuria's special products will eventually come into our hands. When that come true, we can develop our oceanic transportation in order to defeat both Yingkow and Antung. Then the large quantities of beans which the central and southern parts of China consume, will depend upon us entirely. Moreover, 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-cakes 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 a by-product 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 the mineral fertilizers and forbid their exportation to Central and South China. Then China's production of food-stuff 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 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 good-will. In order to gain 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 investment in our own system. On the other hand, encourage our men to learn all they can from the Chinese about sail-boat business. Another thing we should be careful about is teaching the Chinese our industrial methods. In the past we have established 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 then ship the finished products for sale in China and other countries. In this way we shall gain in three ways: (1) 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. Then iron of Penhsihu and Anshan and the coal of Fushun should also be sent home to be turned into finished products.

For all these considerations, the development of ocean transportation becomes 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 hand, we have the South Manchuria Railway for land transportation; on the other hand, we control the large quantities of products in Manchuria and Mongolia waiting to be transported. The success of this 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 have failed to prosper as they should in these places, is due to the existence of 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 from it 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 percent, 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 his capital has been reduced to one hundred fifty or one hundred 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 value 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 transportation and special backing of banking houses. Because of the handicap of monetary system, people in Central and South China always buy beans and bean-cakes 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 & 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 will never place our gold notes in their proper place in Manchuria and Mongolia, much less obtain the monopoly in currency and finance of 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 economic and financial activities 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 notes will take their place.

THE NECESSITY OF CHANGING THE ORGANIZATION OF THE
SOUTH MANCHURIA RAILWAY

The South Manchuria Railway Company functions in Manchuria as the Governor-General of Korea did there 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 involves a change of 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 this 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 would 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 at Mukden, besides the President of the South Manchuria Railway itself. 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 authorization, it again has to run the gauntlet at the Departments of Foreign Affairs, of Railways, of Finance and of 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 movements in Manchuria may be kept confidential and the execution of 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 wings of the South Manchuria Railway, so that we may take determined steps on 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 on the condition that we have a plurality 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 it. But because of the lack of ores, we have found no solution to this problem. Hitherto we have had to import steel from the Yangtze 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 conser-

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 Department of State letter, August 10, 1972
 By Milton O. Gustafson NARS, Date 12-18-75

vative estimate of the reserve is 10 billion tons. At first when there was a lack of technique, the Anshan Iron and Steel Works was involved in an annual loss of Yen 2,000,000. 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 it with the 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 ores. 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 \$100.00 profit on each ton of steel, for 350,000,000 tons of steel we shall have a profit of Yen 35,000,000,000. This is a tremendous 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 to become self-sufficient in iron and steel.

2. Petroleum

Another important commodity which we lack is petroleum. It is also essential to the existence of a nation. Fortunately, there lie in the Fushun Coal Mine 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 oils every year valued at Yen 60,000,000. These figures are on the increase. As there are 50 billion tons of shale in the Fushun Mines, the yield

calculated at five percent would be 250,000,000 tons; at nine percent, 450,000,000 tons 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 FERTILIZER—AMONIA SULPHATE AND OTHER PRODUCTS

Agricultural fertilizer is a great necessity for the production of foodstuff. Chemical fertilizers depend upon the ammonia sulphate extracted from coal. The 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 the 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 connected with 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.

1985

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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

SODA AND SODA ASH

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 are 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.

MAGNESIUM AND ALUMINIUM

According to the independent surveys of the South Manchuria Railway Company and Dr. Honta of Tohoku University, magnesite and aluminium is a very promising business (in Manchuria). Magnesite is found in the surroundings of Tashichiao, and 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 estimate of the deposits of both minerals in Manchuria is Yen 750,000,000. These substances are especially useful for making aeroplanes, mess kits in the army, hospital apparatus and vessels, and 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. Its price is growing high, as if never reaching a limit. The deposits in our territory of Manchuria and Mongolia, are nothing less than a God-given gift. The metal is really precious, being indispensable to both our industry and national defence. It also should be made in independent business, separate from the South Manchuria Railway. Its 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 the British and American capitalists on the other. After we

have gained control of it 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 economical progress. It will help us to build the foundation of an industrial empire. As to the 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 reclaim the sources of great wealth there.

When these important undertakings become independent and are 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 either arousing 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 Continent 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 be 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 even not accessible 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 world be market. Moreover, both Russia and ourselves have been increasing armaments. On account of geographical positions, 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 food-stuff 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 the lack of speed, our secrets are often exposed and are made propaganda materials by the Mukden government much to the detriment of our country in international relations. Whenever a new undertaking is projected in Manchuria and Mongolia, it will become the subject of discussion of 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 any 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 have many serious have with our diplomatic relations. Henceforth, we must change our practice in order to proceed adroitly. The centre of control must be in Tokyo. That will (1) insure secrecy, (2) stop China from knowing before-hand 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 undivided power. 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, is 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 hand 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 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 it 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 where they please. This will insure secrecy; and the opposition nation have no chance of getting into the secrets of our colonial activities. Then our movements regarding Mongolia and Manchuria will be beyond the reach of international public opinion, and we shall be free from interferences.

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 here, especially in rice field. 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 check the Chinese soldiers 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 satisfy themselves with the wealth of herds at the disposal of our country. This same must reside with the Koreans. It is a convenient way of securing rights 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. If they need money to buy farms from the Chinese, the right of farming only. Ostensibly the ownership of land ably we shall gain control of the better rice fields which we may give to our own emigrants. They shall displace the Koreans who in turn may 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 field 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 should also come to their aid. Unnotice-company may also take care of horse breeding and select the best out of Mongolia for the use of our national defence.

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Department of State letter, August 10, 1972
By *M.L.T. O. Gustafson* NARS, Date *12-18-75*

PRECAUTION AGAINST CHINESE MIGRATION

Recently the 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 oppresses our policy even the more seriously. A noted American sinologue has made the statement that the Mukden authorities are carrying out 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 of 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 these 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 build up a substantial good-will among the people towards Japan. This is our first principle of cultural structure.

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Shanghai, China.

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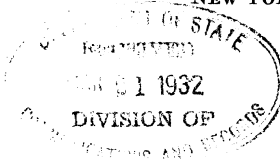
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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

30 FIFTH AVENUE
NEW YORK



March 19, 1932

F/DEW

Hon. Henry L. Stimson, Secretary of State,
Washington, D. C.

Dear Sir:

Kindly permit me to congratulate you upon your famous letter to Senator Borah, which has done so much not only to clarify and stabilize the situation at Geneva in re. the Far Eastern imbroglio, but to reassure our people that the entire situation between China and those Germans of the East will be and is being properly, patiently and vigorously handled.

FW 793.94/3408

We had a sad experience in 1914 when, under the worst President we ever had, we had at the head of our Department of State an old woman, and it is truly reassuring to know that American honor and prestige are in such good hands as your own and those of our present beloved President.

Those little brown barbarians with their thin scum of perverted civilization are totally out of sympathy with American ideals, and I only hope that they get a good sound thrashing from China - if it be possible - before we have the trouble and expense of having to do the job ourselves.

I am enclosing an article which came to me to-day from Chinese friends, and though you and your Department are doubtless conversant with it, I am sending it to you on the off chance that it has not heretofore come to your individual attention.

Very respectfully and sincerely,

Glen Gould

MAR 26 1932

RECEIVED

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By Milton O. Gustafson NARS, Date 12-18-75

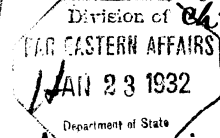
Teachers College
Columbia University
New York

State Department
Washington D.C.

Dear Sir: ^{Jan 22 78} You may wish to take cognizance
of the enclosed piece of propaganda which
came in by mail to instructors here to day.

Sincerely

Benjamin R. Andrews



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JAN 10 1932

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 Department of State letter, August 10, 1972
 By Milton O. Gutzman NARS, Date 12-18-75

In reply refer to
 FE 793.94/3408

February 10 1932.

Mr. Benjamin R. Andrews,
 Teachers College, Columbia University,
 New York, New York.

Sir:

The receipt is acknowledged of your undated letter enclosing a copy of a pamphlet which you have received entitled "The Memorial of Premier Tanaka or a Japanese Secret Design for the Conquest of China as well as the United States and the Rest of the World". Your courtesy in forwarding this pamphlet to the Department is appreciated.

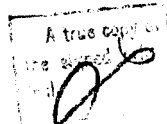
Very truly yours,

For the Secretary of State:

M. M. Hamilton
 Maxwell M. Hamilton,
 Assistant Chief,
 Division of Far Eastern Affairs.

sq.c.
 FE:ECC:MA:SS

Feb. 9, 1932. PM



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Milton O. Gustafson

12-18-75

AM-1000



THE TANAKA MEMORIAL

Division of
FAR EASTERN AFFAIRS
NOV 22 1931
Department of State
F/DEW

AN OUTLINE

Presented to the Japanese Emperor
on July 25, 1927 by

PREMIER TANAKA

For the Japanese Conquest of China
and other Nations

Also a Prediction of a Japanese-American War



Published By

CHINESE NATIONAL SALVATION
PUBLICITY BUREAU

844 Stockton Street

San Francisco, Cal.

13.94

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 Department of State letter, August 10, 1972
 By Milton O. Gustafson NARS, Date 12-18-75

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

November 24, 1931.

SA:

FE is -- and for three years has been -- of the opinion that the "Tanaka Memorial" is a cleverly (but not altogether cleverly) faked document.

The latest Chinese contention with regard to it is that it is a copy, made by a Chinese clerk, of a paper that was in General Tanaka's files.

Much of it consists of things which Tanaka might have written; but there are in it, passim, statements which he certainly would not have made.

SKH/ZMF

The world was startled on September 18, 1931, when Japan attacked and invaded Mukden. In the brief space of Japan's war machine had occupied a town and strategic center. The pretext of the much-used but ever-ready excuse was Japanese lives and property endangered, as Japan claimed, by China's refusal to give up a bridge on the Japanese Manchurian Railway.

If the naked truth must be said, a military attack was intended in the Japanese program for China and other Asiatic nations. The peace efforts of the League of Nations and the United States have checked the extensive advance of Japan.

However, irrespective of how the dispute is eventually settled, Japan will not deceive itself that Japan will remain content. No! A thousand times no! Japan has harbored a burning ambition to expand into a great super-empire. Korea and Formosa comprised only the first stage.

The conquest of Manchuria is the second stage. With Europe and the United States in the grip of an economic depression and China partially submerged by the greatest flood in history, the Japanese militarist saw in September, 1931, the long hoped-for "golden opportunity."

After Manchuria is occupied, according to the Japanese reckoning, Japan will have ample nat-

mean only one thing—a world-wide conflagration far more tragic and destructive than the World War of 1914. It may mean the very end of human civilization itself!

China is now doing its utmost to check this Japanese menace to world peace and stave off this inestimable catastrophe to humanity. However, the gigantic extent of the undertaking necessitates the active co-operation of all nations.

Let all workers for lasting peace and lovers of humanity read this Tanaka Memorial and take earnest thought for the future to the end that human civilization itself will not vanish from the face of this earth!

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PREFACE

The world was startled beyond imagination on September 18, 1931, when Japanese troops attacked and invaded Mukden, capital of Manchuria. In the brief space of twenty-four hours, Japan's war machine had occupied every important town and strategic center in South Manchuria. The pretext of the Japanese was the much-used but ever-ready excuse—to "protect" Japanese lives and property which were endangered, as Japan claimed, by Chinese troops blowing up a bridge on the Japanese-owned South Manchurian Railway.

If the naked truth must be told, however, this military attack was intended to be the first step in the Japanese program for the conquest of China and other Asiatic nations. Fortunately, the peace efforts of the League of Nations and the United States have checked for the time being the extensive advance of Japanese forces.

However, irrespective of how this particular dispute is eventually settled, the world must not deceive itself that Japan will remain content. No! A thousand times no! Japan has harbored a burning ambition to expand into a great super-empire. Korea and Formosa comprised only the first stage.

The conquest of Manchuria is the second stage. With Europe and the United States in the grip of an economic depression and China partially submerged by the greatest flood in history, the Japanese militarist saw in September, 1931, the long hoped-for "golden opportunity."

After Manchuria is occupied, according to the Japanese reckoning, Japan will have ample nat-

ural resources such as iron, coal, aluminum, timber and agricultural products to conquer the rest of China and Asia. Japan will be fortified also for the necessary battle with Russia and the United States as she realizes that she will not be permitted to overrun Asia without Russian and American intervention.

These statements are startling. But they come from an official program submitted to the Japanese Emperor by the late Premier Tanaka himself. Tanaka was an outstanding military leader in Japan. His plans are the plans of the entire Japanese military-expansionist group which showed by its actions in September that it is the real power in Japan.

This booklet presents Tanaka's program in detail. Read it! The whole world must know the grandiose ambitions of the Japanese. Japan's selfish ambitions must be curbed. Otherwise, war must come. And a conflict in Manchuria can mean only one thing—a world-wide conflagration far more tragic and destructive than the World War of 1914. It may mean the very end of human civilization itself!

China is now doing its utmost to check this Japanese menace to world peace and stave off this inestimable catastrophe to humanity. However, the gigantic extent of the undertaking necessitates the active co-operation of all nations.

Let all workers for lasting peace and lovers of humanity read this Tanaka Memorial and take earnest thought for the future to the end that human civilization itself will not vanish from the face of this earth!

CONQUEST OF ASIA OUTLINED IN DETAIL BY LATE PREMIER TANAKA

By V. KWONGLEE KWONG

Foreign News Editor "The Young China"

Since the occupation of South Manchuria by the Japanese army on September 18, the "Tanaka Memorial," a Japanese document outlining Japan's policy to conquer Asia, has been given wide publicity in the Chinese press. The China Critic, published in Shanghai, has issued a special number containing the 5470-word memorial in full. In the light of this document the Chinese people believe that it is Japan's fixed intention to bring Manchuria under her control as the first step in her more ambitious program to conquer all Asia.

The "Tanaka Memorial" was presented to the Emperor of Japan on July 25, 1927, by the late Premier Tanaka. It outlines "the positive policy" in Manchuria—meaning the policy of direct force. Tanaka was one of the outstanding leaders in Japan. He led the influential militant group of Japanese who dream of creating a greater Japanese empire on the mainland of Asia.

The foes this group contemplates meeting and defeating are China and Russia. Tanaka passed away recently, but his death has not left the military group any the weaker in the councils of Japan as the attack and occupation of Manchuria in September shows.

According to the memorial it is a matter of life and death for Japan to expand on continental Asia. Her annual increase in population is 700,000. Every inch of cultivatable land in Japan is already being made use of. Her own natural resources are insufficient to meet the growing demands of her ever-increasing population. She lacks iron and coal, the basic essentials for her industrial life.

For these vital needs Japan

must look abroad, and she finds in Manchuria and Mongolia the promised land of milk and honey. As Tanaka says: "The attractiveness of the land does not arise from the scarcity of population alone; its wealth of forestry, minerals and agricultural products is also unrivalled elsewhere in the world. In order to exploit these resources for the perpetuation of our national glory, we created especially the South Manchurian Railway."

Tanaka realized that Japan could not take Manchuria and Mongolia without a struggle. It is taken for granted that a war with Russia is inevitable. China also would resist Japan's aggression. As for Russia, Tanaka states: "That we should draw swords with Russia again in the fields of Mongolia in order to gain the wealth of North Manchuria seems a necessary step in our program of national aggrandisement."

What Manchuria and Mongolia mean to Japan may be realized from the estimates of the natural resources contained therein as made by Japanese investigators sent out by the Japanese-owned South Manchurian Railway.

According to the memorial, these investigators estimate the total reserve of timber is 200,000,000 tons, which will last Japan 200 years. With this supply, Japan expects to discontinue her purchase of timber from America, which runs into \$40,000,000 to \$50,000,000 a year.

The iron deposits in Manchuria and Mongolia are estimated at 1,200,000,000 tons; coal deposits, 2,500,000,000 tons. In the words of Tanaka: "With such large amounts of iron and coal at our disposal, we ought to be self-sufficient for at least seventy years. 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."

The Fushun coal mine is expected to yield 350,000,000 tons of petroleum, estimated to be worth \$1,125,000,000. Again to quote Tanaka: "Having the iron and petroleum of Manchuria, our army and navy will become impregnable walls of defense."

Mention is then made of abundant supplies of valuable chemicals such as agricultural fertilizer, ammonia sulphate, soda, soda ash, magnesium and aluminum, which Japan will obtain from Manchuria and Mongolia. Produce such as oats, wheat, millet and kaoliang are also to be secured from these regions.

The memorial goes on to outline the preliminary steps necessary for the realization of this ambitious program. Koreans, who enjoy the legal status of Japanese subjects, and regular Japanese will be sent in first as immigrants, while means will be devised to check the annual influx of 1,000,000 Chinese immigrants into Manchuria. Railways will be constructed to reach every strategic military point and source of raw materials. In all, there will be 1159 miles of railroad constructed at an estimated cost of \$57,500,000.

Japanese financial advisers are to be installed as a preliminary step to gain control of the currency system, which is to be changed to a gold basis. Foreign capital in limited amounts will be encouraged in order to allay possible suspicion of Japan's actions. Finally there will be established a colonial department, the special function of which is to look after the expansion in Manchuria and Mongolia.

OFFICIAL DOCUMENTS TANAKA MEMORIAL

Memorial Presented to the Emperor of Japan on July 25, 1927, by Premier Tanaka, Outlining the Positive Policy in Manchuria

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 27th to July 7th lasting in all eleven days. It was attended by all the civil and military officers connected with Manchuria and Mongolia, whose discussions result 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. It extends an area of 74,000 square miles, having a population of 28,000,000 people. 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 forestry, minerals and agricultural products is also unrivalled elsewhere 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 in cattle raising, as schemes pretending to be mutually beneficial to China and Japan amount 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. 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 our imperialistic policies, the Company forms a peculiar organization which has exactly the same powers as the Governor-General of

Korea. This fact alone is sufficient to indicate the immense interests we have in Manchuria and Mongolia. Consequently the policies towards this country of successive administrations since Meiji are all based on his injunctions, 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 toward 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 restriction of 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 develop. Moreover, the resources of wealth are congregated in North Manchuria. If we do not have the right of way here, it is obvious that we shall not be able to tap the riches of this country. Even the resources of South Manchuria which we won by the Russo-Japanese War will also be 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 neighbourhood 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 refuge. 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 exceed 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 was signed which restricted our movements in Manchuria and Mongolia, 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 the 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 out personally from the political leaders of England, France and Italy. The sincerity of these expressions could 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 in 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 could be entirely devoted to developing trade in China to enrich themselves. But in Japan her food supply and raw materials decrease in proportion to her 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 lest one day when China becomes unified and her industries become prosperous, Americans and Europeans will compete with us; our trade in China will be wrecked. Minseito's 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 by 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 Mongolia is the first step if the Yamato race wishes to distinguish themselves on 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 these 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 Not Chinese Territory

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 never were 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. However, the most unfortunate 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 the 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 the rights in Manchuria, we should take forceful steps on the basis of the Twenty-One Demands and secure the following in order to safe-guard the enjoyment of the rights which we have 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 and training officers must be increased. Furthermore, we must have priority in furnishing new advisers.
6. The right of stationing our police 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. Exclusive rights of mining in Heilungkiang.
10. Right to construct Kirin-Hucining and Changchun-Talai Railways.
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 Yingko 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 the 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 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 19 Japanese retired military officers in the house of the Tushiyeh. We have acquired already 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 Govern-

ment. Scattered in the territory of the Prince, they may engage themselves in farming, herding or dealing in wool. As to the 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 lands at one-tenth of their 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 replenish 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 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. The unlooked-for development is fortunate for our country indeed. 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 both be the vanguard for the colonization of virgin fields and furnish a link of contact with the Chinese people. On the one hand, we could utilize the naturalized Koreans to purchase land for rice cul-

tivation; 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 2½ million 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 jurisdiction as under Chinese 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 regulations 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 (Totoku Kaisha) and the South Manchuria Railway Company should follow then to give them financial aid. They should be given especially favorable terms so that through them we may develop Manchuria and Mongolia and monopolize the 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 the favourable development 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 the national defence, the assurance of victory and the citadel of economic development. China has only 7,200 to 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 miles 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 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 circle 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 succor. 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 bank-notes 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 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 reckoning in the development of railways in the future. Much to our surprise the Fengtien Government recently built two railroads, one from Tahushan to Tung-liao 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 the South Manchuria Railway. We therefore protested strongly against it.

That these railways were built was due to the fact that our official 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 Hu-lu-tao 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 is rumoured, that the Fengtien Government is planning to build a railroad from Tahushan to Harbin via Tung Liao 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 passing through Hailung, Kirin, Wuchang and terminating at Harbin is also under way. If this plan becomes true, 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 for 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 railroads 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 especially 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 of 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:

1. Suolun-Taonan Railway.
2. Kirin-Harbin Railway.

Soviet Russia proposes:

1. Anta-Potung Railway.
2. Mienpo-Wuchang-Potuna 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. For 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 the event 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% go 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 in the Chinese Eastern Railway on account of the fact that north of the Chinese and Russian boundary the severe cold makes a railway valueless. Furthermore, as Vladivostok is their only seaport in the Far East, they cannot give up the Chinese Eastern Railway without losing also their foothold on the Pacific. This makes us feel the more uneasy.

On the other hand the South Manchuria Railway is not adequate for our purpose. Considering our present needs and future activities, we must control railways in both north and south Manchuria, especially in view of the fact that the resources of North Manchuria and Eastern Mongolia will furnish no room for expansion and material gains. In South Manchuria the Chinese is increasing at such a rate that it surely will 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 the Chinese Eastern Railway of Soviet Russia should spread across this 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 draw swords with Russia again in the fields of Mongolia in order to gain the wealth of North Manchuria seems a necessary step in our program 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 railroads are completed, we shall pour our forces into North Manchuria as far as we can. When Soviet Russia intervenes, as they must, that is our opportunity for open conflict.

We should insist on the building of the following railways:

1. Tungliao-Jehol Railway. This line is 447 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 the railways in the whole undertaking. According to the care-

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ful 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. There is besides the possibility of turning out 2,000,000 head of cattle which may be transported by railways 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 the 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 over 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 reinforcements 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 depend 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 migration into a new region and spoil our own policy. Look at our experience with the South Manchuria Railway. Hasn't that served the interest of China? The redeeming feature,

however, is the fact that the land and mines along this railway are in the possession of Mongolian princes. If we can gain possession of them first, 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. Only if 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 costs approximately Yen 11,000,000. This line is immensely important from an economic standpoint, for the wealth of Manchuria and Mongolia lies all in North Manchuria. It will enable us to have an easy access to North Manchuria on the one hand, and prejudice the Chinese Eastern Railway to 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 the Yueh-Liang Falls which could be harnessed for electric power. That this section of the railway will be a prosperous center 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 through 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 whole line the population is sparse and the land is rich and extensive. No fertilizer will be required on the farms for fifty years. A 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 with 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 of Meiji's 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 this territory.

4. The Kirin-Hueining Line. While the Kirin-Tunhua Line is already completed, the Tunhua-Hueining Line is yet to be built. The narrow gauge of 2 ft. 6 inches of the track 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. Now they can go on the trunk line directly from Chingchinkwang 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 or Mongolia according to the third step of Meiji's 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, Wotsu, Fuyu, Kitan, Pohai and Nuchen at different stages of history. They were of a mixed race. The forefathers of the Manchurian dynasty also began 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 Chingchu 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. Moreover, 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 Sanchima Straits, and we will be cut off from the supplies of Manchuria and Mongolia. Not having the resources there at our command we will 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 Sanchima. If they send submarines to these quarters, our supply of food-stuffs 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 Japanese 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 battle ground will be Kirin.

When we carry out the third step of Meiji's plans with regard to China, we shall have to do the following things:

1. Mobilise the army divisions in Fukuoka and Hiroshima, 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 Kirin-Hueining Line to North Manchuria.
4. Send the army divisions in Hokkaido and Sendai to embark the ship at Aomori and Hakodate, and sail for Vladivostok; 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 into two large armies. On the south, they will keep Shan-haikwan 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 the lack of supplies.

Let us now analyze once more the Kirin-Hueining Railway from the standpoint of its access from our ports.

First with Chingchin as the 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 industrial center.

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 migrate thousands upon thousands of people into this region and 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 tunneling would need modern and up-to-date machines. 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 be brought in. The cost of construction could therefore be reduced at least thirty per cent and the time required forty 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 ton is fallen and imported to our country each year, it will last two hundred years. This will stop the imports 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 Fengtien 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 the "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 timber from Kirin to Osaka via Changchun and Dairen, there is a distance of 1,385 miles. For every cubic foot, we have to spend 34 cents. 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 from the United States then. Supposing we calculate the profit at Yen 5.00 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. Besides, we will bar the import of American timber into our country. Furthermore, the industry of furniture making, paper manufacture and other usages which the cheap timber makes possible will add 20 million yen more to our country's annual income.

There is also the Hsin Chin 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 colliers. With both coal mines in our control, we hold the key to the industries of all China. Speaking of the Hsin Chin coal, we shall reap a profit of Yen 5.00 on each ton when it is shipped to Japan. With additional chemical by-products, we shall reap a profit of Yen 16.00 from each ton of coal. Taking an average profit of Yen 15.00 a ton, the total profit will amount to 200 billion yen. All this comes 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 Chia-Pi-kou 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 the agricultural products such as oats, wheat, millet and koaliang, 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 oil and 600,000 of bean cakes, besides many places for making vermicelli. All these will depend upon the new railway. The trade along this road may be estimated at 4 million 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 per year. Including the net 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 resources of wealth in North Manchuria. It takes only three hours from Chingchin to Hueining, three hours from Hueining to Sanfeng and three hours more from Tumen River to Lung-Ching-Tsun. 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.

4. Hunchun-Hailin Railway. This is 173 miles long and costs 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. In order to transfer the prosperity of Vladivostok to Hueining, this line is also urgently needed. The greatest hope for prosperity, however, is the fact that south of Naining and north of Tunhua there is Lake Ching Po which can be used to generate electric power. With this electric 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 power in the lake can generate at least 800,000 horse-power. 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 Hsing Kai, 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 Niigata and Hailin, the Oju Paper Mill has acquired extensive rights of lumbering. They need the immediate establishment of the power plant at Lake Chingpo 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 Feng-Kirin-Wuchang Railway and the Kirin-tien 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 to themselves the wealth of North Manchuria. By building the Hunchun-Hailin Railway we shall not only strengthen 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 cannot 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, soy beans, bean cakes and iron, forms one-twentieth of the total volume of world trade. And it is steadily increasing. But the Namihaya Machi at Dairen (the wealthiest street in the city) is still in Chin-

ese possession. The sad story goes further. Oil is a basic industry in Manchuria. We control only six per cent of it. Of the 38 oil mills in Yingkow, there is not one Japanese; of the 20 oil mills in Antung 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 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 of 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 Kwangtung 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 the monopoly sale of their products. We must have the rights of monopoly for the sale 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 the Chinese traders.

Although the products of Manchuria and Mongolia may go through any of the three ports, Dairen, Yingko and Antung, nevertheless Dairen holds the key to the situation. Every year 7,200 ships pass through this port with a total

tonnage of 11,565,00 tons. This represents 70 per cent of the total trade of Manchuria and Mongolia. Fifteen navigation routes radiate out from it with definite sailing schedule. Most of it is coastal sailing. We have in our grasp the entire transportation system of Manchuria and Mongolia. The monopoly sale of Manchuria's special products will eventually come into our hands. When that comes true, we can develop our oceanic transportation in order to defeat both Yingko and Antung. Then the large quantities of beans which the central and southern parts of China consume, will depend upon us entirely. Moreover, 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-cakes 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 a by-product 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 the 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 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 good-will. In order to gain 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 investment in our own system. On the other hand, encourage our men to learn all they can from the Chinese about sail-boat business. Another thing we should be careful about is teaching the Chinese our industrial methods. In the past we have established 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 then ship the finished products for sale

in China and other countries. In this way we shall gain in three ways: (1) 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. Then iron of Penhsihu and Anshan and the coal of Fushun should also be sent home to be turned into finished products.

For all these considerations, the development of ocean transportation becomes 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; on the other hand, we control the large quantities of products in Manchuria and Mongolia waiting to be transported. The success of this enlarged activity in oceanic transportation with Dairen as center 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 have 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 from it 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 his capital has been reduced to one hundred fifty or one hundred sixty thousand dollars due to the drop in exchange. The creditor would then have to call in the loans and business failures have often resulted.

2. The Chinese business men use silver money throughout and are free from the effects of the exchange fluctuations. Therefore their "junk" trade is prosperous. Although they have no scientific knowledge of the exchange value 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 the transportation and special backing of banking houses. Because of the handicap of the monetary system, people in Central and South China always buy beans and bean-cakes 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 & Finance Corporation have in circulation silver notes amounting to \$38,000,000. Their reserve funds in the form of buildings and goods are estimated at \$1,350,000. 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 will never place our gold notes in their proper place in Manchuria and Mongolia, much less obtain the monopoly in currency and finance of 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 economic and financial activities 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 notes will take their place.

Encourage Investment From A Third Power

It has been our traditional policy to exclude

from Manchuria and Mongolia investments of a third power. But since the Nine Power Treaty is based on the principle of equal opportunity for all, the underlying principle of the International Consortium which regards Manchuria and Mongolia as outside its sphere becomes anachronistic. We are constantly under the watchful eyes of the Powers, and every step that we take arouses suspicion. This being the case, we better invite foreign investments in such enterprises as the development of electric power or the manufacture of alkali. By using American and European capital, we can further our plans for the development of Manchuria and Mongolia. By so doing, we shall allay international suspicion and clear the way for larger plans on the one hand and induce the Powers to recognize the fact of our special position in that country on the other. We should welcome any power wishing to make investment, but we must not allow China to deal with the leading countries at her will. As we are anxious that the Powers recognize the fact of our special position in Manchuria and Mongolia in political as well as economical affairs, we are obliged to intervene and share all responsibilities with her. To make this a customary practice in diplomatic dealings, is another important policy for us.

The Necessity of Changing the Organization of the South Manchuria Railway

The South Manchuria Railway Company functions in Manchuria as the Governor-General of Korea did there 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 involves a change of 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 this 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 would 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 at Mukden, besides the President of the South Manchuria Railway itself. 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 authorization, it again has to run the gauntlet at the Departments of Foreign Affairs, of Railways, of Finance and of 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 movements in Manchuria may be kept confidential and the execution of our plans may be swift and decisive. On account of these reasons, the South Manchuria Railway should be radically reorganized. All appurtenant enterprises which are profit-making should be made independent companies under the wings of the South Manchuria Railway, so that we may take determined steps on 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 on the condition that we have a plurality 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 restraints 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 it. But because of the lack of ores, we have found no solution to this problem. Hitherto we have had to import steel from the Yangtze 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 billion tons. At first when there was a lack of technique, the Anshan Iron and Steel Works was 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 it with the 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 the coal deposits 2,500,000,000 tons. This coal ought to be sufficient for smelting the iron ores. 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 \$100.00 profit on each ton of steel, for 350,000,000 tons of steel we shall have a profit of Yen 35,000,000,000. This is a tremendous 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 to become self-sufficient in iron and steel.

2. Petroleum. Another important commodity which we lack is petroleum. It is also essential to the existence of a nation. Fortunately, there lie in the Fushun Coal Mine 5,200,000,000 tons of shale oil, from every hundred cattles of which six cattles of crude oil may be extracted. By means of American machinery, every hundred cattles will yield nine cattles of refined oil good for motor cars and battleships. At present, Japan imports from foreign countries 700,000 tons of mineral oils every year valued at Yen 60,000,000. These figures are on the increase. As there are 50 billion tons of shale in the Fushun mines, the yield calculated at five per cent would be 250,000,000 tons; at nine per cent, 450,000,000 tons 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 Fertilizer—Ammonia Sulphate and Other Products

Agricultural fertilizer is a great necessity for the production of foodstuffs. Chemical fertilizers depend upon the ammonia sulphate extracted from coal. The 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 the 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 connected with 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.

Soda and Soda Ash

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 are 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.

Magnesium and Aluminum

According to the independent surveys of the South Manchuria Railway Company and Dr. Honta of Tohoku University, magnesite and aluminum is a very promising business (in Manchuria). Magnesite is found in the surroundings of Tashichiao, and aluminum 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 aluminum is worth about Yen 1,700. An estimate of the deposits of both minerals in Manchuria is Yen 750,000,000. These substances are especially useful for making aeroplanes, mess tiki in the army, hospital apparatus and vessels, and 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. Its price is growing high, as if never reaching a limit. The deposits in our territory of Manchuria and Mongolia are nothing less than a God-given gift. This

metal is really precious, being indispensable to both our industry and national defence. It also should be made an independent business, separate from the South Manchuria Railway. Its 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 the British and American capitalists on the other. After we have gained control of it 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 economical progress. It will help us to build the foundation of an industrial empire. As to the cultural undertakings such as hospitals, schools and philanthropic institutions, they are our signal towers in our 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 reclaim the sources of great wealth there.

When these important undertakings become independent and are 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 either arousing 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" help 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 Man-

churia and Mongolia, we should be likewise. The two new railways from Kirin to Hucining 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. In undertaking this, we must permit foreign investment on the South Manchuria Railway so that any profit that it makes is shared by other nations. When they share in the profits, no one will interfere with our activities 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 even not accessible 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 afford both 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 geographical positions, 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 food-stuffs 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 the lack of speed, our secrets

are often exposed and are made propaganda materials by the Mukden Government much to the detriment of our country in international relations. Whenever a new undertaking is projected in Manchuria and Mongolia, it will become the subject of discussion of 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 any 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 have many serious results with our diplomatic relations. Henceforth, we must change our practice in order to proceed adroitly. The center of control must be in Tokyo. That will (1) insure secrecy; (2) stop China from knowing beforehand our plans; (3) avoid the suspicion of the powers before the 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 undivided power. 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, is 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 hand 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 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 it 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 where they please. This will insure secrecy; and the opposition nation have no chance of getting into the secrets of our colonial activities. Then our movements regarding Mongolia and Manchuria will be beyond the reach of international public opinion and we shall be free from interferences.

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.

The Taling River Valley On the Peking-Mukden Railway

The Taling River Valley is a wide area sparsely populated but infested with bandits. Many Koreans have made investments here, 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 check the Chinese soldiers 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 satisfy themselves with the right of farming only. Ostensibly the ownership of land must reside with the Koreans. It is a convenient way of securing rights 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. If they need money to buy farms from the Chinese, the financial organs should also come to their aid. Unnoticeably we shall

gain control of the better rice fields which we may give to our own immigrants. They shall displace the Koreans who in turn may 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 wealth of herds at the disposal of our country. This same 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 the 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 oppresses our policy even the more seriously. A noted American sinologue has made the statement the Mukden authorities are carrying out 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 of 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 labour. 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 these 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 be 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 build up a substantial good-will among the people towards Japan. This is our first principle of cultural structure.

VI-19-33

~~Mr. H.~~
The two letters at-
tached are from
foreigners and deal
with controversial
subjects. It seems to
me (Miss Hanna agrees)
that they should be
filed without ack-
nowledgment.

E.J.C.

Kulangsu R 111, Third floor, Amoy

May 2 1933

DEPARTMENT OF STATE
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JUN 13 1933

DIVISION OF

DIVISION OF

FAR EASTERN AFFAIRS

JUN 14 1933

Department of State

Welt,
States of America

the honour to send you this Pamphlet

greatly the Peace and justice of the whole

sure that the far-sighted People will try

best to check the advance of such a dangerous Plan

every effective means and all the awakened upright

leaders of nations will immediately seek to exterminate

the existence of
such jingo Policy.

I suppose that you have read through this Pamphlet

already, but I like to request you to run over my rough

impressions on such a Policy as written on the Pages of

this small Pamphlet.

JUN 21 1933

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DEPARTMENT OF STATE
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REGISTRATION SECTION

JUN 14 1933

Ching - Szu Chen
President of
People's Constructional Corporation in China;
General Promoter of
World People's Achievement Institution.

Kulangan R 111, Third floor, Manila

May 2 1933.

DEPARTMENT OF STATE

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Division of

Far Eastern Affairs

JUN 14 1933

Department of State

Welt,
States of America

Dear Sir:

I have the honour to send you this Pamphlet
which concerns so greatly the Peace and justice of the whole
world. I am sure that the far-sighted People will try
best to check the advance of such a dangerous Plan
every effective means and all the awakened upright
leaders of nations will immediately seek to exterminate
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JUN 21 1933

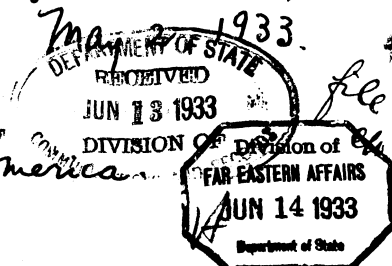
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DEPARTMENT OF STATE
DIVISION OF
COMMUNICATIONS AND RECORDS
PUBLIC AFFAIRS SECTION

JUN 14 1933

Kulangan R 111, Third floor, Am

May 2 1933.



State
Mr. Franklin D. Roosevelt,
President of the United States of America.

Dear Sir:

7/13/33
I have the honour to send you this Pamphlet
which concerns so greatly the Peace and justice of the
world. I am sure that the far-sighted People will try
best to check the advance of such a dangerous Plan
every effective means and all the awakened upright
leaders of nations will immediately seek to exterminate
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I suppose that you have read through this Pamphlet
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this small Pamphlet.

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II

The Nine Power treaty not only forbid to have such a régime as "Manchukuo" that spoils the integrity of the territory of China but also forbid evidently to retain any ^(sort) form of international treaty or concession ^{or proposal} that injures the integrity of the sovereignty of China. Since U.S.A. was the chief signatory Power of the Nine Power treaty and even the Anti-war Pact, I am sure that America will call ^{resolutely} the signatories of the treaty or Pact to support justice with your noble valor ~~if~~ as soon as necessity demands, and will pay your closest attention to the above with your ever sincere good-will.

I do pray that at this critical moment, the human self-love ~~that~~ of any corner of the earth should be converted into the ^{extended} sacrificial campaign. Otherwise ~~of~~ the terror, if unchecked and enlarged, will be worse.

Very Sincerely yours,
Ching-szu Chen

enc att
C.S.P.

General Secretary of
People's Achievement Institution.

To President Franklin D. Roosevelt ✓
& the Secretary of State,
U. S. A.

JAPAN

and the next

WORLD WAR

*"Who will Answer the Call of
God to stand for justice
(righteousness), Peace (mercy),
and truth to check the
furious currents and forces—
strate the terrible Projects
of the Japanese imperialistic
Empire!"*

Presented By
PEACOCK NECKTIE MANUFACTURING CO.

639, NANKING ROAD

SHANGHAI

from Hing-szu Chen

Promoter of

World Peoples Achievement

Published By Institution.

THE CHINA CRITIC

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SHANGHAI, CHINA

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上海北京路五十號

田中併吞滿蒙奏摺

Secret
MEMORIAL

Concerning Manchuria, Mongolia, China
U. S. A. & the World

Submitted by
GENERAL TANAKA

(The then Premier of Japan)

to
The Japanese Emperor

in
1927

(7TH EDITION)

HIGH LIGHTS OF THE MEMORIAL

1. For settling difficulties in Eastern Asia, Japan must adopt a policy of "Blood and Iron."

2. In order to conquer the world, Japan must conquer Europe and Asia; in order to conquer Europe and Asia Japan must conquer China, and in order to conquer China, Japan must first Conquer Manchuria and Mongolia, Japan expects to fulfil the above programme in ten years.

3. Japan regrets that she has signed the Nine-Power Treaty which was intended by England and America to crush her interests in Manchuria, for thereby she agrees that Manchuria and Mongolia are Chinese territory. This has greatly hampered the freedom of Japanese policy in Manchuria.

4. Japan believes wars in near future with U.S.A. and with Russia are inevitable, so in order to get militarily prepared, Japan must build the Kirin-Hweining and Changchun-Talai railways in Manchuria.

5. The South Manchuria Railway Co., act in Manchuria as the Governor-General in Korea. In order to blind the eyes of the world and forestall the disclosure of secrets at present, the Colonial office nominally controls affairs of Formosa, Korea, and Saghalian islands, only, while really it manages affairs of Manchuria.

6. Japan must take strong steps. on basis of Twenty-one demands, to secure priority for building railroads. right of timbering and exploiting 19 iron and coal mines in Fentien.

7. Japan should spend yen 1,000,000 from "Secret funds" of Army department in order to send 400 retired offices dis-

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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

guised as teachers and traders, scientists, and Chinese citizens to Mongolia to influence the Mongolian princes to revolt against China.

8. Koreans should be utilized by Japan as vanguard for colonization of and as spearhead for penetration into, Manchuria and Mongolia.

9. Taking advantage of the local disorder in Fengtien, Japan should manipulate the situation so that the Fengtien Bank notes will depreciate to zero, and the Yen will take to its place.

10. Japan must enjoy monopoly of supplies of beans, bean cakes timber, coal, iron, fur, wool, and all other products of Manchuria and Mongolia and perfect control of transportation so that Chinese influence would be wiped out, and Europe and America, when in need of these supplies, would be at the mercy of Japan.

(From The China Critic)

II

TANAKA MEMORIAL

*Memorial Presented to the Emperor of Japan on July 25, 1927,
by Premier Tanaka, Outlining the positive
policy in Manchuria.*

(Reprinted from THE CHINA CRITIC Vol. IV No. 39,
Sept. 24, 1931.)

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 27th to July 7th lasting in all eleven days. It was attended by all the civil and military officers connected with Manchuria and Mongolia, whose 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. It extends an area of 74,000 square miles, having a population of 28,000,000 people. 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 forestry, minerals and agricultural products is also unrivalled elsewhere in the world. In

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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 our imperialistic policies, the Company forms a peculiar organization which has exactly the same powers as the Governor-General of 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 domestic affairs. The authorities of the Three Eastern Provinces are also awakened and gradually work toward 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 restriction of 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 in-

- 2 -

secure and our national strength will not increase. Moreover, the resources of wealth are congregated 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 resources of South Manchuria which we won by the Russo-Japanese War will also be 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 neighbourhood 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 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 exceed 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 the navy to find a way to counteract this new engagement. I was sent to Europe and America to ascertain secretly the attitude of the important states toward it. They were all agreed that the Nine Powers the best was initiated by the United States. The other Powers signed it were willing to see our influence in Manchuria and Mongolia in order that we may for the pretence of trade of international trade and investment of China. Armed by the out personally from the political to seize the resources all over the and Italy. The sincerity of the resources at our disposal we ed upon. Unfortunately just India, the Archipelago Asia Minor, policy and declare void in Europe. But to get control of Man- approval of those who is the first step if the Yamato race wishes suddenly fell on themselves on Continental Asia. Final success

*of Manchuria is the beginning
of the Yamato Conquest of the
world.*

*(9 Power Treaty)
thought
to be
claiming
on it*

1017

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Department of State letter, August 10, 1972
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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 our imperialistic policies, the Company forms a peculiar organization which has exactly the same powers as the Governor-General of 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 domestic affairs. The authorities of the Three Eastern Provinces are also awakened and gradually work toward 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 restriction of 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 in-

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secure and our national strength will not increase. Moreover, the resources of wealth are congregated 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 resources of South Manchuria which we won by the Russo-Japanese War will also be 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 neighbourhood 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 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 exceed 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 the navy to find a way to counteract this new engagement. I was sent to Europe and America to ascertain secretly the attitude of the 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 out personally from the political leaders of England, France and Italy. The sincerity of these expressions could 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

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(9 Power Treaty)
I thought
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claimed
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more
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restoring
the
dangerous
Japan.

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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.

U. S.
the world!
long policy

The Three Eastern Provinces are politically the imperfect spot in 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

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policy of national suicide. England can afford to talk about trade relations only because she has India and Australia to supply her with foodstuff and other materials. So can America because South America and Canada are there to supply her her needs. Their spare energy could be entirely devoted to developing trade in China to enrich themselves. But in Japan her food supply and raw materials decrease in proportion to her 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, lest one day when China becomes unified and her industries become prosperous. Americans and Europeans will compete with us: our trade in China will be ruined. Minseito's 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 by 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 Mongolia is the first step if the Yamato race wishes to distinguish themselves on Continental Asia. Final success

Control of Manchuria is the beginning
of the Yamato Conquest of the
world.

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Germany failed since she lacked food-supply.
Japan had seen it, so she considered
that the conquest of Manchuria ^(should be) the
road to
prepare
war
against
the
world.
belongs to the country having food supply; industrial pro-
sperity 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 these 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—NOT CHINESE TERRITORY

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 never
were 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. However, the most unfortunate
thing is that in our declaration of war with Russia, our govern-
ment 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 Thibet, Sinkiang, Mongolia and
Manchuria have always remained special areas and the princes
are permitted to discharge their customary functions. There-
fore 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 gover-

ern 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 the rights in Manchuria, we should take forceful
steps on the basis of the Twenty-One Demands and secure the
following in order to safe-guard the enjoyment of the rights
which we have acquired so far:—

- as
unlawful
and
as
wicked
as the
21
demands.
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 purpose 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 move-
ments, 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 stationing our Police 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. Exclusive rights of mining in Heilungkiang.
10. Right to construct Kirin-Hueining and Changchun-Talai Railways.
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 the 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 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 19 Japanese retired military officers in the house of the Tushiyeh. We have acquired already 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

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declared
The lost Captain Nakamura (whose murder was the Pretence of the Japanese invasion) was one detective among those sent in 5 routes into Mongolia on March 1931 and returned

Any spirit in any intrigue against the content of mine Power I really should not have its existence!!!
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 the 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 lands at one-tenth of their 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 replenish 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 teacher 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

Even all concession in China should be returned to China since they damages evidently the integrity of territory and sovereignty of China. How may such Policy of Japan as mentioned above tolerated be carried on in the present world!

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country. Both because of the freedom they enjoy in Manchuria due to 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. The unlooked for development is fortunate for our country indeed. 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 both be the vanguard for the colonization of virgin fields and furnish 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.

always
 Plot
 and
 falsehood

Here
 lies
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 Wan-Pao
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 and
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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 jurisdiction as under Chinese 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

before Sept.
 18, 1931.

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 regulations 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 (Totoku 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 the 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 the favourable development 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.

(???) Shall we let it go? (or check Japan's any intrigue before it is mature?)

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 7,200 to 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 miles 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

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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 circle 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 succor. 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 bank-notes 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 the South Manchuria Railway. We therefore protested strongly against it.

That these railways were built was due to the fact that our official 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 is rumoured that the Fengtien Government is planning to build a railroad from Tahushan to Harbin via Tung Liao 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 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 for curtailing our power provided by the Nine Power Treaty, will be carried out. Moreover, the completion of these two railroads will render the South Manchurian 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 railroads 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 especially 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 of 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:

1. Suolun-Taonan Railway.
2. Kirin-Harbin Railway.

Soviet Russia proposes:

1. Anta-Potung Railway.
2. Mienpo-Wuchang-Potuna 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. For 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 the 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.

dangerous
Although we have an agreement with the Chinese Eastern Railway concerning transportation rates, according to which 45% go 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 in 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 sea-port in the Far East, they cannot give up the Chinese Eastern Railway without losing also their foothold on the Pacific. This makes us feel the more uneasy.

On the other hand, the South Manchuria Railway is not adequate for our purpose. Considering our present needs and future activities, we must control railways in both North and South Manchuria, especially in view of the fact that the re-

sources of North Manchuria and Eastern Mongolia will furnish no room for expansion and material gains. In South Manchuria the Chinese is 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 this 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 draw swords with Russia again in the fields of Mongolia in order to gain the wealth of North Manchuria seems a necessary step in our program of national aggrandisement. 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 railroads are completed, we shall pour our forces into North Manchuria as far as we can. When Soviet Russia intervenes, as they must, that is our opportunity for open conflict.

WE SHOULD BUILD THE FOLLOWING RAILWAYS

1. Tungliao-Jehol Railway. This line is 447 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 the 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 railways 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 the 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 over 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 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 facili-

des for Chinese migration into a new region and spoil our own policy. Look at our experience with the South Manchuria Railway. Hasn't that served the interest of China? The redeeming feature, however, is the fact that the land and mines along this railway are in the possession of Mongolian princes. If we can gain possession of them first, 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. Only if we try hard enough, no Chinese foot-prints will be found on Mongolian territory.

3. A Section of Changchun-Taonan Railway. As this line runs from Changchun to Fuyu and Talai, the section between Changchun and Taonan is about 131 miles and costs 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 prejudice the Chinese Eastern Railway to 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 the Yuehliang Falls which could be harnessed for electric power. That this section of the railway will be a prosperous center 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 through three directions; namely, by ways 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 whole line the population is sparse and the land is rich and extensive. No fertiliser will be required on the farms for fifty years. A possession of this railway will ensure the possession of all the wealth of North

In Oct. 3, 1931 Proposal of Lieut. - General Honjo of the Kwantung Japanese Army to the Minami, the former Minister of War of Japan Empire, Japan is to drive the American forces from the east of Hawaii and the 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-stuff 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 of Meiji's 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 this 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 2 ft. 6 inches 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. Now 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 Meiji's plans. The Yamato Race is then embarked on the journey of world obtaining Manchuria.

no secret then!
Yamato Race's open challenge to the world!

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By Milton O. Gustafson NARS, Date 12-18-75

Will the righteous people wait
let such unjust act go
freely?

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.

China were conquered
surely the wicked
Japan will
compel the innocent
people of the
conquered districts
to be
one day
her
tools
for the
Japanese
jingoism
can
the world bear its terror.
late for destroying the
intrigue.

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, Wotsu, Fuyu, Kitan Pohai and Nuchen at different stages of history. They were of a mixed race. The forefathers of the Manchurian dynasty also began 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 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. Moreover, 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

Japan has now trampled Anti-war Pact, Nine Power treaty and League Covenant under feet. Knowing that the League and

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 food-stuff 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 direction 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 Japanese 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 war with Soviet Russia sooner or later. The battle ground will be Kirin.

When we carry out the third step of Meiji's plans with regard to China, we shall have to do the following things:-

1. Mobilise the army divisions in Fukuoka and Hiroshima, 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 Kwansai 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 Kirin-Hueining Line to North Manchuria.

the international
- 21 - justice and Peace
to a state beyond recovery.

Consider China as the first line of defence
the world-conquest.
their ruin will be surely doomed if a coalition against such a common enemy is started now.

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4. Send the army divisions in Hokkaido and Sendai to embark the ship at Aomori and Hakodato, 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 Shanhaikuan 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 the lack of supplies.

Let us now analyze once more the Kirin-Hueining Railway from the standpoint of its access from our ports.

First, with Chingchin as starting point:

1. To Vladivostok130 miles
2. To Tsuruga475 miles
3. To Moji500 miles
4. To Nagasaki650 miles
5. To Fusan500 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 an industrial center.

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.

Japan will violate Manchuria + Mongolia as the second Belgium.

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 migrate thousands upon thousands of people into this region and 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 tunneling would need modern and up-to-date machines. 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 be brought in. The cost of construction could therefore be reduced at least thirty per cent and the time required forty 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 ton is fallen 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 Fengtien 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 the "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 timber from Kirin to Osaka via Changchun and Dairen, there is a distance of 1,385 miles. For every cubic foot, we have to spend 34 cents. 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 5.00 per ton 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 industry 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 collieries. With both coal mines in our control, we hold the key to the industries of all China. Speaking of the Hsinchin coal, we shall reap a profit of Yen 5.00 on each ton when it is shipped to Japan. With additional chemical by products, we shall reap a profit of Yen 16.00 from each ton of

coal. Taking an average profit of Yen 15.00 a ton, the total profit will amount to 200 billion yen. All this comes 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 the 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 oil and 600,000 of bean cakes, besides many places for making vermicelli. All these will depend upon the new railway. The trade along this road may be estimated at 4 million 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 resources of wealth in North Manchuria. It only takes three hours from Chingchin to Hueining, three hours from Hueining to Sanfeng and three hours more from Tumen river to Lungchingsun. 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.

4. *Hunchun-Hailin Railway.* This is 173 miles long and costs 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. In order to transfer the prosperity of Vladivostok to Hueining, this line is also urgently needed. The greatest hope for

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prosperity, however, is the fact that south of Naining and north of Tunhua there is Lake Chungpo which can be used to generate electric power. With this electric 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 power 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 Niigata and Hailin, the Oju Paper Mill has acquired extensive rights of lumbering. They need the immediate establishment of the power plant at Lake Chingpo 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 to themselves the wealth of North Manchuria. By building the Hunchun-Hailin Railway we shall not only strengthen 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 cannot 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, soybeans, bean cakes, and iron, forms one-twentieth of the total volume of world trade. And it is steadily increasing. But the 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 Antung 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 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 of 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 percent 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 cooperative exporting house to China. The steamship lines and the South Manchuria Railway should give it special discounts, and the government in Kwangtung 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 the monopoly sale of their products. We must have the rights of monopoly for the sale 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 the 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 percent of the total trade of Manchuria and Mongolia. Fifteen navigation routes radiate out from it with definite sailing schedule. Most of it is coastal sailing. We have in our grasp the entire transportation system of Manchuria and Mongolia. The monopoly sale of Manchuria's special products will eventually come into our hands. When that come true, we can develop our oceanic transportation in order to defeat both Yingkow and Antung. Then the large quantities of beans which the central and southern parts of China consume, will depend upon us entirely. Moreover, 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-cakes 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 a by-product 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 the mineral fertilizers and forbid their exportation to Central and South China. Then China's production of food-stuff will be greatly reduced. This

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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 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 good-will. In order to gain 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 investment in our own system. On the other hand, encourage our men to learn all they can from the Chinese about sail-boat business. Another thing we should be careful about is teaching the Chinese our industrial methods. In the past we have established 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 then ship the finished products for sale in China and other countries. In this way we shall gain in three ways: (1) 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. Then iron of Penhsihu and Anshan and the coal of Fushun should also be sent home to be turned into finished products. *An obstacle*

For all these considerations, the development of ocean transportation becomes 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

- 29 - *Cooperation, a hindrance to the world's progress. It will breed the international competition and selfish enmity.*

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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 hand, we have the South Manchuria Railway for land transportation; on the other hand, we control the large quantities of products in Manchuria and Mongolia waiting to be transported. The success of this 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 have failed to prosper as they should in these places, is due to the existence of 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 from it 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 30 percent, 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 his capital has been reduced to one hundred fifty or one hundred 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 value 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 transportation and special backing of banking houses. Because of the handicap of monetary system, people in Central and South China always buy beans and bean-cakes 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 & 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 will never place our gold notes in their proper place in Manchuria and Mongolia, much less obtain the monopoly in currency and finance of 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.

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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 economic and financial activities 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 notes will take their place.

THE NECESSITY OF CHANGING THE ORGANIZATION OF THE SOUTH MANCHURIA RAILWAY

The South Manchuria Railway Company functions in Manchuria as the Governor-General of Korea did there 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 involves a change of 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 this 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 would 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 at Mukden, besides the President of the South Manchuria Railway itself. These four officers must meet and exchange views at Dairen before anything is undertaken. What is discussed in the meeting held in

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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 authorization, it again has to run the gauntlet at the Departments of Foreign Affairs, of Railways, of Finance and of 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 movements in Manchuria may be kept confidential and the execution of 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 wings of the South Manchuria Railway, so that we may take determined steps on 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 on the condition that we have a plurality 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 it. But because of the lack of ores, we have found no solution to this problem. Hitherto we have had to import steel from the Yangtze 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 conser-

Will the treaty powers now let it free without any show of their faithful interference in the Japanese offences and positive actions towards the maintenance of the dignity of Nine Power Treaty & the Peace & justice of the world?

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vative estimate of the reserve is 10 billion tons. At first when there was a lack of technique, the Anshan Iron and Steel Works was 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 it with the 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 ores. 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 \$100.00 profit on each ton of steel, for 350,000,000 tons of steel we shall have a profit of Yen 35,000,000,000. This is a tremendous 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 to become self-sufficient in iron and steel.

2. Petroleum

Another important commodity which we lack is petroleum. It is also essential to the existence of a nation. Fortunately, there lie in the Fushun Coal Mine 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 oils every year valued at Yen 60,000,000. These figures are on the increase. As there are 50 billion tons of shale in the Fushun Mines, the yield

calculated at five percent would be 250,000,000 tons; at nine percent, 450,000,000 tons 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 FERTILIZER—AMONIA SULPHATE AND OTHER PRODUCTS

Agricultural fertilizer is a great necessity for the production of foodstuff. Chemical fertilizers depend upon the ammonia sulphate extracted from coal. The 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 the 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 connected with 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.

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By Milton O. Gustafson NARS, Date 12-18-75

SODA AND SODA ASH

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 are 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.

MAGNESIUM AND ALUMINIUM

According to the independent surveys of the South Manchuria Railway Company and Dr. Honta of Tohoku University, magnesite and aluminium is a very promising business (in Manchuria). Magnesite is found in the surroundings of Tashichiao, and 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 estimate of the deposits of both minerals in Manchuria is Yen 750,000,000. These substances are especially useful for making aeroplanes, mess kits in the army, hospital apparatus and vessels, and 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. Its price is growing high, as if never reaching a limit. The deposits in our territory of Manchuria and Mongolia, are nothing less than a God-given gift. The metal is really precious, being indispensable to both our industry and national defence. It also should be made in independent business, separate from the South Manchuria Railway. Its 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 the British and American capitalists on the other. After we

have gained control of it 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 economical progress. It will help us to build the foundation of an industrial empire. As to the 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 reclaim the sources of great wealth there.

When these important undertakings become independent and are 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 either arousing 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

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Japan declared herself in the Propaganda
 (by leaflets dropped down from aeroplanes) in the
 border of North China that ~~Japan~~ Japan
 to foreign investments, the powers will be glad to lend more
 and it's forces are the strongest of the world there is no wonder that she will try her best to deprive others of others' rights, rob others' grounds, and devour others' lands from the rest of the world in her possible reach.

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 be 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 im-
 migrants 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 even not
 accessible 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 world
 be market. Moreover, both Russia and ourselves have been
 increasing armaments. On account of geographical positions,
 we have conflicting interests. If we want to obtain the wealth
 of North Manchuria and to build up the New Continent accord-
 ing 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

According to the record of a secret conference
 the Japanese officers held in Dec. 7, 1930
 confessed that she had spent much
 to host the bandits ~~to~~ annually
 us with food-stuff and raw materials. Manchuria of the Imperial
 Manchuria and our country are so ~~where~~ the new empire.
 directly into North Manchuria and pursue ~~us~~ ^{to} endanger China.

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 the lack of speed, our secrets are often exposed
 and are made propaganda materials by the Mukden government
 much to the detriment of our country in international relations.
 Whenever a new undertaking is projected in Manchuria and
 Mongolia, it will become the subject of discussion of 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 any-
 thing can be carried out. Because of all these obstacles, any
 undertaking will take months and months before any 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
 have many serious have with our diplomatic relations. Hence-
 forth, we must change our practice in order to proceed adroitly.
 The centre of control must be in Tokyo. That will (1) insure
 secrecy, (2) stop China from knowing before-hand 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
undivided power. For these reasons we should follow the
 original plan for absorbing Korea laid down by Ito and Katsura

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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 be 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 even not accessible 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 world market. Moreover, both Russia and ourselves have been increasing armaments. On account of geographical positions, 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 food-stuff 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 the lack of speed, our secrets are often exposed and are made propaganda materials by the Mukden government much to the detriment of our country in international relations. Whenever a new undertaking is projected in Manchuria and Mongolia, it will become the subject of discussion of 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 any 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 have many serious have with our diplomatic relations. Henceforth, we must change our practice in order to proceed adroitly. The centre of control must be in Tokyo. That will (1) insure secrecy, (2) stop China from knowing before-hand 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 undivided power. 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, is 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 hand 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 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 it 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 where they please. This will insure secrecy; and the opposition nation have no chance of getting into the secrets of our colonial activities. Then our movements regarding Mongolia and Manchuria will be beyond the reach of international public opinion, and we shall be free from interferences.

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

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herself to endanger
the world justice &
threaten the international Peace

Contrary
Propaganda
for
Japan's
intrigue

Should
America,
Europe,
and
China
be
again
deceived
?

No (!)

We can
not
help
doubting
Japan
will
always
devote

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11652, Sec. 3(E) and 5(D) or (E)
letter, August 10, 1972

tefsm NARS, Date 12-18-75

According to the record of a secret conference of the Japanese officers held in Dec. 7, 1930 Japan confessed that she had spent much money to support the bandits to annually
policy of expansion in Mongolia and Manchuria of the Imperial Government and complete the creation of the new empire. *to endanger China.*

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 here, especially in rice field. 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 check the Chinese soldiers 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 satisfy themselves with the wealth of herds at the disposal of our country. This same must reside with the Koreans. It is a convenient way of securing rights 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. If they need money to buy farms from the Chinese, the right of farming only. Ostensibly the ownership of land ably we shall gain control of the better rice fields which we may give to our own emigrants. They shall displace the Koreans who in turn may 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 field 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 should also come to their aid. Unnotice-company may also take care of horse breeding and select the best out of Mongolia for the use of our national defence.

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By Milton O. Gustafson NARS, Date 12-18-75

Some People of China opposed missionary schools because they misunderstood that the Christian schools are the vanguards of unequal treaties, but the awakening Christians of China are just

PRECAUTION AGAINST CHINESE MIGRATION

Recently the 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 oppresses our policy even the more seriously. A noted American sinologue has made the statement that the Mukden authorities are carrying out 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 of 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 these 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 build up a substantial good-will among the people towards Japan. This is our first principle of cultural structure.

Of course, China should strongly object such a ⁴²serpentine schemes!

So insidious + so wicked!
Away with such an Offensive Policy!
Away with the Empire of Japan
since Japan has been Proved to be
just an Empire that has perfectly
adopted the Policy of her
deceased Emperor Meiji
and her former Premier
Tanaka!

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Gentlemen: (Even Honjo, Minister of war of Japan, etc....)

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PITTSFIELD, MASSACHUSETTS
SOUTH STREET INN
APARTMENT 110

From *Charles W. Gustafson*



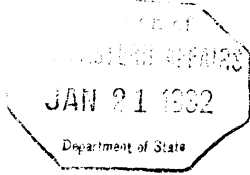
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Hon. Henry L. Stimson
U. S. Secretary of State
Washington
D. C.

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FE

JAPAN'S SCHEME OF WORLD CONQUEST

by

The Late Premier Tanaka of Japan
in the form of A Memorial to the
Japanese Emperor

in 1927

F/DEW

F.W. 793.94/3408

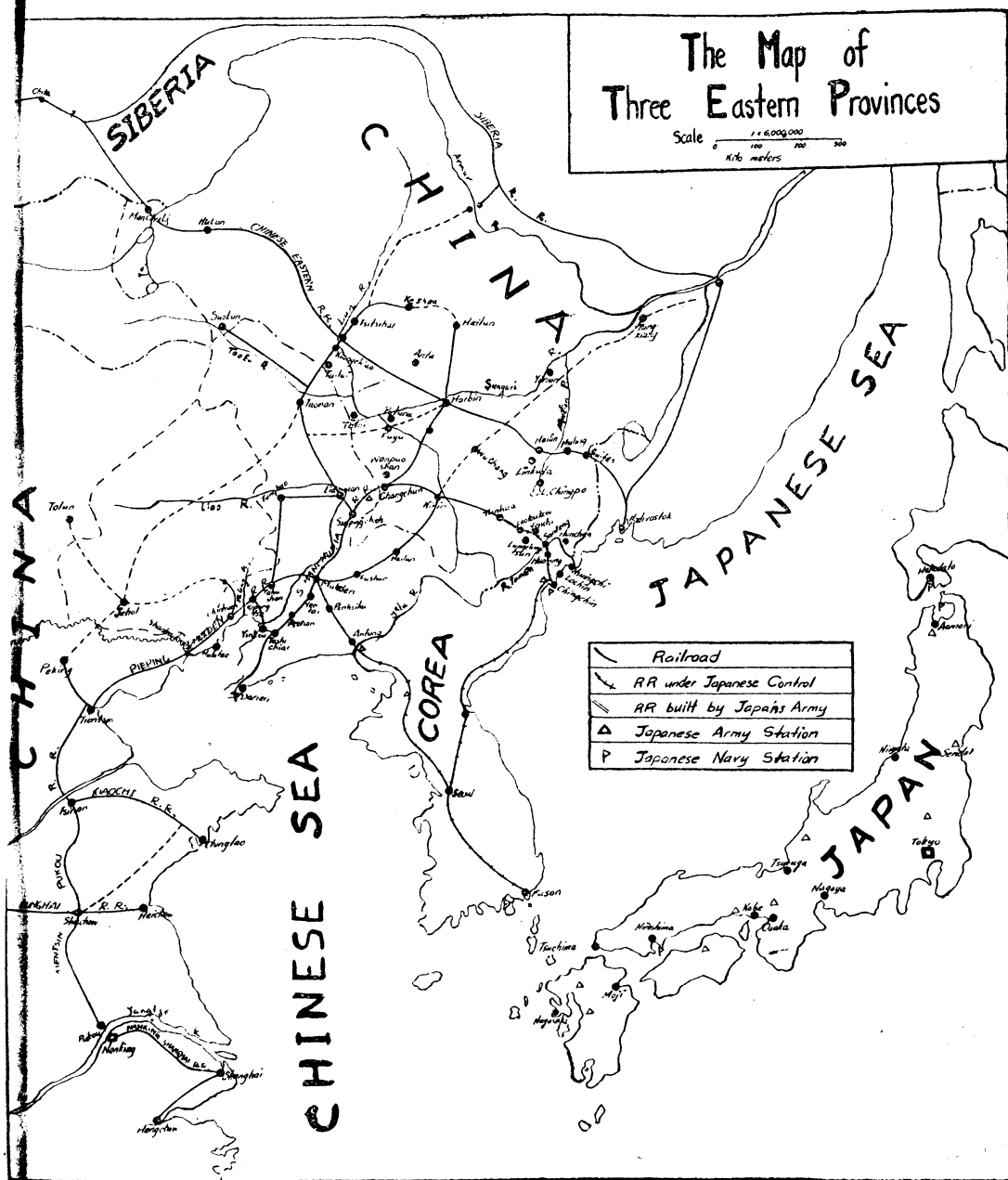
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1

OFFICIAL DOCUMENT


TANAKA MEMORIAL

Memorial Presented to the Emperor of Japan on July 25, 1927, by Premier Tanaka, Outlining the positive policy in Manchuria.

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 27th to July 7th lasting in all eleven days. It was attended by all the civil and military officers connected with Manchuria and Mongolia, whose discussions result 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. It extends an area of 74,000 square miles, having a population of 28,000,000 people. 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 forestry, minerals and agricultural products is also unrivalled elsewhere 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 amount to no less than Yen 440,000,000. It is veritably the



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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. 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 our imperialistic policies, the Company forms a peculiar organization which has exactly the same powers as the Governor-General of Korea. This fact alone is sufficient to indicate the immense interests we have in Manchuria and Mongolia. Consequently the policies towards this country of successive administrations since Meiji are all based on his injunctions, 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 domestic affairs. The authorities of the Three Eastern Provinces are also awakened and gradually work toward 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 restriction of 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 develop. Moreover, the resources of wealth are congregated in North Manchuria. If we do not have the right of way here, it is obvious that we shall not be able to tap the riches of this country. Even the resources of South Manchuria which we won by the Russo-Japanese War will also be 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 neighbourhood 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 refuge. 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 exceed 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 was signed which restricted our movements in Manchuria and Mongolia, public opinion was greatly aroused. The late Emperor Taisho called a conference of Yamagata and other high officers of the army and the navy to find a way to counteract this new engagement. I was sent to Europe and America to ascertain secretly the attitude of the 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 out personally from the political leaders of England, France and Italy. The sincerity of these expressions could 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 in the Far East. For the sake of self-protection as well as the protections 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 foodstuff and other materials. So can America because South America and Canada are there to supply her needs. Their spare energy could be entirely developing trade in China to enrich themselves. But in Japan her food supply and raw materials decrease in proportion to her 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, lest one day when China becomes unified and her industries become prosperous. Americans and Europeans will compete with us: our trade in China will be wrecked. Minseito's 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 directions 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 by 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 Mongolia is the first step if the Yamato race wishes to distinguish themselves on Continental Asia. Final success belongs to the country having food-supply; industrial prosperity 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 these 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—Not Chinese Territory

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 never were Chinese territory. The 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. However, the most unfortunate 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 Thibet, 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 the 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 the rights in Manchuria, we should take forceful steps on the basis of the Twenty-One Demanda and secure the following in order to safe-guard the enjoyment of the rights which we have 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 purpose 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 and training officers must be increased. Furthermore, we must

have priority in furnishing new advisers.

6. The right of stationing our Police 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. Exclusive rights of mining in Heilungkiang.
10. Right to construct Kirin-Hueining and Changchun-Talai Railways.
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 Yingko 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 the 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 Prince Ruler is the niece of 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 19 Japanese retired military officers in the house of the Tushiyeh. We have acquired already 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 the 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 lands at one-tenth of their 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 replenish 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 selfdetermination 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 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. The unlooked-for development is fortunate for our country indeed. 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 both be the vanguard for the colonization of virgin fields

and furnish 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 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 jurisdiction as under Chinese 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 regulations 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 (Tutoku 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 the 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 the favourable development 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 7,200 to 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 miles 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 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 circle 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 Govern-

ment. 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 came to their succor. 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 bank-notes 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 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 Tongliao 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 the South Manchuria Railway. We therefore protested strongly against it.

That these railways were built was due to the fact that our official 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 Hu-lu-tao through British capitalists. Taking advantage of this situation, the Fengtien Government introduced American and British capi-

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tal 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 is rumoured that the Fengtien Government is planning to build a railroad from Tahushan to Harbin via Tung Liao 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 passing through Hailung, Kirin, Wuchang terminating at Harbin is also under way. If this plan becomes true, 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 for curtailing our power provided by the Nine Power Treaty will be carried out. Moreover, the completion of these two railroads will render the South Manchurian 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 railroads 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 especially 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 of 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:

1. Suolun-Taonan Railway.
2. Kirin-Harbin Railway.

Soviet Russia proposes:

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1. Anta-Potung Railway.
2. Mienpo-Wuchang-Potung Railway.
3. Kirin-Hailin Railway.
5. 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. For although the power of 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 the 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% go 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 in the Chinese Eastern Railway on account of the fact that north of the Chinese and Russian boundary the severe cold makes a railway valueless. Furthermore, as Vladivostok is their only sea-port in the Far East, they cannot give up the Chinese Eastern Railway without losing also their foothold on the Pacific. This makes us feel the more uneasy.

On the other hand the South Manchuria Railway is not adequate for

our purpose. Considering our present needs and future activities, we must control railways in both north and south Manchuria, especially in view of the fact that the resources of North Manchuria and Eastern Mongolia will furnish no room for expansion and material gains. In South Manchuria the Chinese is increasing at such a rate that it surely will 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 the Chinese Eastern Railway of Soviet Russia should spread across this 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 draw swords with Russia again in the fields of Mongolia in order to gain the wealth of North Manchuria seems a necessary step in our program of national aggrandisement. 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 railroads are completed, we shall pour our forces into North Manchuria as far as we can. When Soviet Russia intervenes, as they must, that is our opportunity for open conflict.

We should insist on the building of the following railways:

11. Tungliao-Jehol Railway. This line is 447 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 the 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. There is besides the possibility of turning out 2,000,000 head of cattle which may be transported by railways 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 cattles of wool per head per year, the sheep in Mongolia can yield six cattles. The South Manchuria Railway has made many experi-

ments, 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 the 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 over 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 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 migration into a new region and spoil our own policy. Look at our experience with the South Manchuria Railway. Hasn't that served the interest of China? The redeeming feature, however, is the fact that the land and mines along this railway are in the possession of Mongolian princes. If we can gain possession of them first, we need have no worries about Chinese

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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. Only if we try hard enough, no Chinese foot-prints will be found on Mongolian territory.

3. A Section of Changchun-Taonan Railway. As this line runs from Changchun to Fuyu and Talai, the section between Changchun and Taonan is about 131 miles and costs approximately Yen 11,000,000. This line is immensely important from an economic standpoint, for the wealth of Manchuria and Mongolia lies all in North Manchuria. It will enable us to have an easy access to North Manchuria on the one hand, and prejudice the Chinese Eastern Railway to 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 the Yueh-Liang Falls which could be harnessed for electric power. That this section of the railway will be a prosperous center 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 through 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 Heilungkaing. 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 whole line the population is scarce and the land is rich and extensive. No fertiliser will be required on the farms for fifty years. A 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 on 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 Chang-

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chun and Talai are completed, we shall become self-sufficient in food-stuff 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 of Meiji's 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 this 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 2 ft. 6 inches 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. Now 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 Meiji's 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 that and 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 Sashan, Hueibei, Palou, Wotsu, Fuyun, Kitan, Pohai and Nuchen at different stages of history. They were of a mixed race. The forefathers of the Man-

churian dynasty also began 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. Hence the necessity of the Kirin-Hueining Railway.

Whether the terminus of 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. Moreover, 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 will be cut off from the supplies of Manchuria and Mongolia. Not having the resources there at our command we will 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 food-stuff 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 access in all direction 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 Japanese 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 war with Soviet Russia sooner or later. The battle ground will be Kirin.

When we carry out the third step of Meiji's plans with regard to China, we shall have to do the following things:-

1. Mobilise the army divisions in Fukuoka and Hiroshima, 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 Kwansi 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 Kirin-Hueining Line to North Manchuria.
4. Send the army divisions in Hokkaido and Sendai to embark the ship at Aomori and Hakodato, 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 Shanhai-kuan 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 the lack of supplies

Let us now analyze 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

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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 industrial center.

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 migrate thousands upon thousands of people into this region and 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 tunneling would need modern and up-to-date machines. 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 be brought in. The cost of construction could therefore be reduced at least thirty per cent and the time required forty 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 Manchu-

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ria Railway, the total reserve of timber is 200,000,000 tons. If one million ton is fallen 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 yet 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 Fengtien 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 the "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 timber from Kirin to Osaka via Changchun and Dairen, there is a distance of 1,385 miles. For every cubic foot, we have to spend 34 cents. 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 from the United States then. Supposing we calculate the profit at Yen 5.00 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. Besides, we will bar the import of American timber into our country. Furthermore, the industry of furniture making, paper manufacture and other usages which the cheap timber makes possible will add 20 million yen more to our country's annual income.

There is also the Hsin Chiu 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 collieries. With both coal mines in our control, we hold the key to the industries of all China.

Speaking of the Hsin Chiu coal, we shall reap a profit of Yen 7.00 on each ton when it is shipped to Japan. With additional chemical by-products, we shall reap a profit of Yen 16.00 from each ton of coal. Taking an average profit of Yen 15.00 a ton, the total profit will amount to 200 billion yen. All this comes 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 Chia-Pi-kou 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 the 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 900,000 catties of oil and 600,000 pieces of bean cakes, besides many places for making vermicelli. All these will depend upon the new railway. The trade along this road may be estimated at 4 million 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 right over forests, mines and trade as well as the migration of large number of our people into North Manchuria. Above all, is the shortening of distance between Japan and the resources of wealth in North Manchuria. It only takes three hours from Chingchin to Hueining, three hours from Hueining to Sanfeng and three hours more from Tumen river to Lung-Ching-Tsun. 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.

4. Hunchun-Hailin Railway. This is 173 miles long and costs 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. In order to transfer the prosperity of Vladivostok to Hueining, this line is also urgently needed. The greatest

hope for prosperity, however, is the fact that south of Haining and north of Tunhua there is Lake Ching Po which can be used to generate electric power. With this electric 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 development. According to the investigations of the South Manchuria Railway, the water power in the lake can generate at least 800,000 horse-power. 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 Hsing Kai, 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 Niigata and Hailin, the Oju Paper Mill has acquired extensive rights of lumbering. They need the immediate establishment of the power plant at Lake Ching Po 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 authorities intend to build the Kirin-Wuchang Railway and the Kirin-Mukden Railway, with Hulutao or Tientsin as sea-port, is that they want to recover to themselves the wealth of North Manchuria. By building the Hunchun-Hailin Railway we shall not only strengthen 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 cannot 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, soybeans, bean cakes, and iron, forms one-twentieth of the total volume of world

trade. And it is steadily increasing. But the 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 Antung 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 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 of our manufactured goods in Mongolia. 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 percent 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 cooperative exporting house to China. The steamship lines and the South Manchuria Railway should give it special discounts and the government in Kwangtung 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 the monopoly sale of their products. We must have

the rights of monopoly for the sale 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 the Chinese traders.

Although the products of Manchuria and Mongolia may go through any of the three ports, Dairen, Yingko 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 percent of the total trade of Manchuria and Mongolia. Fifteen navigations routes radiate out from it with definite sailing schedule. Most of it is coastal sailing. We have in our grasp the entire transportation system of Manchuria and Mongolia. The monopoly sale of Manchuria's special products will eventually come into our hands. When that comes true, we can develop our oceanic transportation in order to defeat both Yingko and Antung. Then the large quantities of beans which the central and southern parts of China consume, will depend upon us entirely. Moreover, 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-cakes 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 a by-product 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 beancakes as well as the mineral fertilizers and forbid their exportation to Central and South China. Then China's production of food-stuff 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 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 good-will. In order to gain 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.

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However, the Chinese are adapts 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 investment in our own system. On the other hand, encourage our men to learn all they can from the Chinese about sail-boat business. Another thing we should be careful about is teaching the Chinese our industrial methods. In the past we have established 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 then ship the finished products for sale in China and other countries. In this way we shall gain in three ways: (1) 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. Then iron of Penhsiha and Anshan and the coal of Fushun should also be sent home to be turned into finished products.

For all these considerations, the development of ocean transportation becomes 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 one hand, we have the South Manchuria Railway for land transportation; on the other hand, we control the large quantities of products in Manchuria and Mongolia waiting to be transported. The success of this enlarged activities in oceanic transportation with Dairen as centre is assured by the iron laws of econmice.

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 have failed to

prosper as they should in these places, is due to the existence of 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 from it 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 20 percent, 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 thousands yen, one may suddenly find that in the time of opening his business his capital has been reduced to one hundred fifty or one hundred sixty thousandsyen 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 value 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 transportation and special backing of banking houses. Because of the handicap of monetary system, people in Central and South China always buy beans and bean-cakes 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 & 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 will never place our gold notes in their proper place in Manchuria and Mongolia, much less obtain the monopoly in currency and finance of 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 economic and financial activities 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 notes will take their place.

Encourage Investment From A Third Power

It has been our traditional policy to exclude from Manchuria and Mongolia investments of a third Power. But since the nine Power Treaty is based on the principle of equal opportunity for all, the underlying principle of the International Consortium which regards Manchuria and Mongolia as outside its sphere becomes anachronistic. We are constantly under the watchful eyes of the Powers, and every step that we take arouse suspicion. That being the case, we better invite foreign investments in such enterprise as the development of electric power or the manufacture of alkali. By using American and European capital, we can further our plans

for the development of Manchuria and Mongolia. By so doing, we shall allay international suspicion and clear the way for larger plans on the one hand and induce the Powers to recognize the fact of our special position in that country on the other. We should welcome any power wishing to make investment, but we must not allow China to deal with the leading countries at her will. As we are anxious that the Powers recognize the fact of our special position in Manchuria and Mongolia in political as well as economical affairs, we are obliged to intervene and share all responsibilities with her. To make this a customary practice in diplomatic dealings is another important policy for us.

The Necessity of Changing The Organization of the South Manchuria Railway

The South Manchuria Railway Company functions in Manchuria as the Governor-General of Korea did there 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 involves a change of 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 this 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 would 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 at 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 Manchu-

ria Railway. If any final resolution to be formed at Tokyo, it again has to run the gauntlet at the Departments of Foreign Affairs, of Railways, of Finance and of 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 movements in Manchuria may be kept confidential and the execution of 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 wings of the South Manchuria Railway, so that we may take determined steps on 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 on the condition that we have a plurality 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 it. But because of the lack of ores, we have found no solution to this problem. Hitherto we have had to import steel from the Yangtze 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 billion tons. At first when there was a lack of technique, the Anshan Iron and Steel Works was 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 it with the 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 amount of coal ought to be sufficient for melting the iron ores. 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 yen 100.00 profit on each ton of steel, for 350,000,000 tons of steel we shall have a profit of Yen 35,000,000,000. This is a tremendous 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 to become self-sufficient in iron and steel.

2. *Petroleum*

Another important commodity which we lack is petroleum. It is also essential to the existence of a nation. Fortunately, there lie in the Fushun Coal Mine 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 oils every year valued at Yen 60,000,000. These figures are on the increase. As there are 50 billion tons of shale in the Fushun Mines, the yield calculated at five percent would be 250,000,000 tons; at nine percent, 450,000,000 tons 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 Fertilizer—Ammonia Sulphate and other Products

Agricultural fertilizer is a great necessity for the production of food-stuff. Chemical fertilizers depend upon the ammonia sulphate extracted from coal. The 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 the 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 connected with 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.

Soda and Soda Ash

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 are 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.

Magnesium and Aluminium

According to the independent surveys of the South Manchuria Railway

Company and Dr. Honta of Tohoku University, magnesium and aluminium is a very promising business (in Manchuria). Magnesium is found in the surroundings of Tashichiao, and aluminium in the vicinity of Yentai. The deposit is one of the largest in the world. A ton of magnesium is worth Yen 2,000 and a ton of aluminium is worth about Yen 1,700. An estimate of the deposits of both minerals in Manchuria is Yen 750,000,000. These substances are especially useful for making aeroplanes, mess kits in the army, hospital apparatus and 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. Its price is growing high, as if never reaching a limit. The deposits in our territory of Manchuria and Mongolia, are nothing less than a God-given gift. This metal is really precious, being indispensable to both our industry and national defence. It also should be made in independent business, separate from the South Manchuria Railway. Its 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 the British and American capitalists on the other. After we have gained control of it 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 economical progress. It will help us to build the foundation of an industrial empire. As to the 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 reclaim the sources of great wealth there.

When these important undertakings become independent and are 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 either arousing 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 Continent 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 be likewise. The two new railways from Kirin to Hueining and from Changchun to Talai, 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. In undertaking this, we must permit foreign investment on the South Manchuria Railway so that any profit that it makes is shared by other nations. When they share in the profits, no one will interfere with our activities 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 even not accessible to the Chinese im-

migrants. 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 geographical positions, 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 Russia and China at bay. 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 position in North Manchuria and supply the rest of us with food-stuff 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 the lack of speed, our secrets are often exposed and are made propaganda materials by the Mukden government much to the detriment of our country in international relations. Whenever a new undertaking is projected in Manchuria and Mongolia, it will become the subject of discussion of 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 any 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 opposing party has also made capital out of what they find in these regions in order to attack the government. All these make many serious disadvantages to our diplomatic relations. Henceforth, we must change our practice in order to proceed adroitly. The centre of control must be in Tokyo. That will (1) insure secrecy, (2) stop China from knowing before-hand 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 undivided power. 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, is 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 hand 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 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 it is absolutely necessary. Moreover, the creation of a new empire in Mongolia and Manchuria is of utmost importance of the existence of Japan. It is necessary to have a special 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 anywhere they please. This will insure secrecy; and the opposing nation have no chance of getting into the secrets of our colonial activities. Then our movements regarding Mongolia and Manchuria will be beyond the reach of international public opinion, and we shall be free from interferences.

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 on Peking-Mukden Railway

The Taling River Valley is a wide area scarcely populated but infested with bandits. Many Koreans have made investments here, especially in rice field. 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 check the Chinese soldiers 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 satisfy themselves with the right of farming only. Ostensibly the ownership of land must reside with the Koreans. It is a convenient way of securing rights 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. If they need money to buy farms from the Chinese, the financial organs should also come to their aid. Unnoticeably we shall gain control of the better rice fields which we may give to our own emigrants. They shall displace the Koreans who in turn may 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 field and bean farms. As to the policy for herd farming, the Development Company should be especially entrusted gradually to expand, eventually placing all the wealth of herds at the disposal of our country. This same 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 the 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 oppresses our policy even the more seriously. A noted American sinologue has made the statement that the Mukden authorities are carrying out 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 of 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 add Schools

Hospitals and Schools in Manchuria must be independent of the South Manchuria Railway. For the people have often considered these 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 good-will 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 build up a substantial good-will among the people towards Japan. This is our first principle of cultural structure.

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 Department of State letter, August 10, 1972
 By Milton O. Gustafson NARS, Date 12-18-75

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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

學 大 通 交

CHIAO-TUNG UNIVERSITY
SHANGHAI, CHINA.

NANYANG COLLEGE

TELEPHONE: 70422

OFFICE OF THE PRESIDENT

November 21, 1931.

President Herbert Clark Hoover,
United States of America,
Washington, D.C.,
U. S. A.

Excellency:

The United States of America led the world during the great war to fight for democracy and again in the last few years to outlaw war as an instrument of international policy. The American leadership in time of war and peace has been inspiring to all people on earth. On your leadership, therefore, depends the development of peace and progress of democracy in the Far East.

However, since September 18, 1931, when the Japanese army invaded and occupied many strategic cities in the Chinese Eastern ~~three~~ Provinces, such development and progress have met with a decisive setback.

The present military action of Japan finds few precedents in international history, and yet reports from newspapers have repeatedly come to our notice that your great nation does not consider such a violation of any treaty and that your Government does not regard the Japanese invasion an act of war. We hope such reports are not true.

In our humble opinion, the Japanese invasion, besides its immediate concern with the Republic of China and the peace of the Far East, has an important bearing upon the welfare of America and upon world civilization. It is a test whether militarism is something to be glorified, to be fortified and expanded, or something to be condemned as a crime, and prevented like a disease. If militarism, such as practised by Japan now, is allowed to run rampant, another world war or a great world revolution in the near future seems inevitable.

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Department of State letter, August 10, 1972
By Milton O. Lustigsm NARS, Date 12-18-75

學 大 通 交
CHIAO-TUNG UNIVERSITY
SHANGHAI, CHINA.

NANYANG COLLEGE

TELEPHONE: 70422

OFFICE OF THE PRESIDENT

President Hoover

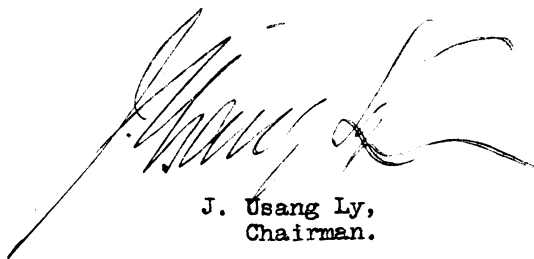
- 2 -

In order to inform Your Excellency what the Japanese militarism may mean, we beg to enclose herewith a copy of the notorious Tanaka Memorandum. We notice that Japan has denied publicly the authenticity of this Memorandum, but judging from her recent military action in Manchuria and taking into consideration all the facts before and following the invasion, one cannot fail to see the significance of the Japanese design as outlined in the Memorandum. The fate of Korea tells a sad story of humanity and the present Manchurian situation is but its counterpart.

In the name of humanity and for the promotion of international law and order we fervently appeal to Your Excellency to exert all effort against militarism as a crime and disease, especially that type of militarism as now practised by Japan so that, to quote the famous words of President Wilson, "the world may be made safe for democracy".

Respectfully yours,

For THE EXECUTIVE COMMITTEE OF THE
FEDERATION OF UNIVERSITIES AND
COLLEGES IN SHANGHAI



J. Usang Ly,
Chairman.

Enclosure

1064

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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

The Commercial Museum

ESTABLISHED 1894

F. M. HUNTINGTON-WILSON, DIRECTOR

CABLE ADDRESS
"MUSEUMS PHILADELPHIA"



FOREIGN TRADE BUREAU
DUDLEY BARTLETT, CHIEF
G. C. GIBSON, BUSINESS MANAGER

PHILADELPHIA, PA., U. S. A.
34TH STREET BELOW SPRUCE STREET

March 29, 1932

PUBLISHERS OF
COMMERCIAL AMERICA
English Edition
AMERICA COMERCIAL
Spanish Edition
Overseas magazines devoted
to United States commercial and
industrial progress. (Monthly)

AUTOMOTIVE REVIEW
English Edition
REVISTA AUTOMOTOR
Spanish Edition
Carry news relating to the
automotive, aeronautical and
motor boat trades to all coun-
tries. (Monthly)

HARDWARE, MACHINERY
AND ELECTRICAL GOODS
English Edition
FERRETERIA, MAQUINARIA
Y ARTICULOS ELECTRICOS
Spanish Edition
Journals of news and informa-
tion of special interest to the
hardware, machinery and elec-
trical trades in overseas mar-
kets. (Monthly)

MANUFACTURERS OF
AMERICA REGISTERED FOR
EXPORT
English Edition
FABRICANTES DE AMERICA
REGISTRADOS PARA LA
EXPORTACION
Spanish Edition
Classified directories of Amer-
ican manufacturers interested
in export trade. World-wide
circulation.

★ ★ ★

PERMANENT EXHIBIT
Samples of American products
manufactured for export—dis-
played for convenience of over-
seas merchants visiting the
United States.

Far Eastern Affairs Division,
Department of State,
Washington, D. C.

Gentlemen:

The writer has recently seen and read a pamphlet
entitled "Tanaka Memorial", published by the China Critic,
Shanghai, China, in 1931. This is supposed to be a memorial
presented to the Emperor of Japan on July 25th, 1927, by
Premier Tanaka outlining the positive policy in Manchuria.

The pamphlet is reprinted from the September 24th,
1931 issue of the China Critic. No doubt you are familiar
with this publication. It would be interesting to learn
whether its authenticity has been proved or disproved.

Yours very truly,

Herbert W. Gibson
Assistant to the Chief,
Foreign Trade Bureau

HWG/W

APR 5 1932

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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

April 5 1932.

In reply refer to
FE

Mr. Herbert W. Gruber,
Assistant to the Chief, Foreign Trade Bureau,
The Commercial Museum,
34th Street below Spruce Street,
Philadelphia, Pennsylvania.

Sir:

The receipt is acknowledged of your letter of March 29, 1932, inquiring with regard to the authenticity of a document published in the CHINA CRITIC in September, 1931, purporting to be a Secret Memorial submitted by General Tanaka to the Japanese Emperor in 1927.

Inasmuch as the document to which you refer was published in a foreign country under foreign auspices and has become a subject of controversy, the Department does not desire to comment with regard to its authenticity.

Very truly yours,

For the Secretary of State:

M. M. H.
Maxwell M. Hamilton,
Assistant Chief,
Division of Far Eastern Affairs.

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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

3700 Mass. Ave.

DEPARTMENT OF STATE
ADVISER ON POLITICAL RELATIONS

MAR 25 1939

Mr. Hornbeck:

Mr. French telephoned and would like to know whether you could get for him a copy of the "Tanaka Memorial."

Two extra copies of the so-called Tanaka Memorial are attached hereto in the event you should want to give a copy to him.

Mr. French's telephone number is:
Cleveland 6400

*Copy of Tanaka Memorial
sent to Mr. C.H. French
March 28, 1939*

FD: *[Signature]*

[Signature]

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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

January 7, 1932.

~~RCM:~~
GHB:

The Consul General at Nanking transmits herewith copies of five documents which have been exchanged between the Chinese Government and the Japanese Government and between the Chinese Government and the League of Nations. A list of these documents is to be found at the bottom of the first page of the despatch. It is possible that you have already seen telegraphic summaries of these notes, but, if not, you may be interested in reading them in connection with your study of the situation in Manchuria.

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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

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No. D-151



AMERICAN CONSULAR SERVICE

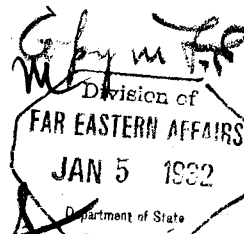
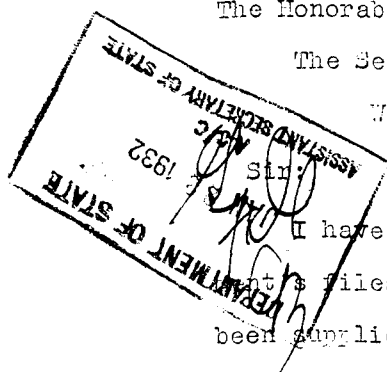
American Consulate General, Nanking, China

November 1931, 1932

Subject: Sino-Japanese Controversy in Manchuria

The Honorable

The Secretary of State,
Washington.



I have the honor to submit herewith, for the Department's files, copies of documents of which copies have been supplied informally to the Counselor of the American Legation resident in Nanking by the Chief of the Bureau of Intelligence and Publicity of the Chinese Ministry of Foreign Affairs.

A list of these documents is appended to this despatch.

Respectfully yours,

Willys R. Peck
Willys R. Peck,
American Consul General.

800
WRP-T ✓

Enclosures:

Copy of Note which the Chinese Government on October 8, 1931, directed should be presented to the Secretary General of the League of Nations.

Copy of Note dated November 8, 1931, from the Chinese Government to the Secretary General of the League of Nations.

Copy of press release of the National Government describing Japanese aggressions in Manchuria, November 19, 1931.

Copy of translation of a Note from the Chinese Government to the Japanese Minister in China, released to the Press November 20, 1931.

Copy of translation of Note dated November 23, 1931, from the Chinese Government to the Japanese Minister to China.

Copy of translation of Note dated November 25, 1931, from the Chinese Government to the Japanese Minister to China.

Five copies to the Department.
Two copies to the Legation.

F/DEW

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JAN 26 1932

Enclosure No. 1 to despatch No. 151 of Willys R. Peck, American Consul General at Nanking, China, dated November 30, 1931, on the subject "Sino-Japanese Controversy in Manchuria."

THE CHINESE GOVERNMENT ON OCTOBER 31ST INSTRUCTED DR. ALFRED SZE, CHINESE DELEGATE AT GENEVA, TO PRESENT THE FOLLOWING NOTE TO THE SECRETARY GENERAL OF THE LEAGUE OF NATIONS FOR CIRCULATION TO THE MEMBERS OF THE COUNCIL.

"The Chinese Government received on October 28th from the Secretary General of the League of Nations a copy of the note of the Japanese Government of October 26th to which the Government of China begs to make the following reply:

"The note of the Government of Japan to the members of the Council repeats the statement that the sole reason why it refuses to withdraw troops from Chinese soil is the danger that in its view would ensue to Japanese subjects and their property in evacuated areas. As to this the following observations may be made:

"(1) The Chinese delegate's declaration to the Council on October 23rd expressed the view of the Chinese Government that it was the very presence of Japanese troops in Chinese territory which created the danger of which Japanese authorities now complain. This declaration was reinforced by Monsieur Briand, President of the Council, when, at a meeting of the Council on October 24th, he said, 'I think public opinion would find it difficult to admit that military occupation could be assigned to the category of pacific means. I think that military occupation falls outside of

that

-2-

that class of measures and therefore prolongation of that occupation also involves prolongation of that feeling of uneasiness which has already lasted too long'.

"During the Washington Conference no less an authority than the then American Secretary of State, Mr. Hughes, supported the view that military occupation fosters disorder which is used as a pretext for continuance of that occupation. Commenting upon the Japanese statement to the Washington Conference that the Japanese Government could not withdraw its troops from Eastern Siberia without endangering the lives and property of its subjects, Mr. Hughes said, 'The Government of the United States would be untrue to the spirit of co-operation which led it in the summer of 1918 upon an understanding with the Government of Japan to dispatch troops to Siberia if it neglected to point out that in its view continued occupation of strategic centres in Eastern Siberia the establishment of civil administration which inevitably lends itself to misconception and antagonism, tends rather to increase than to allay the unrest and disorder in that region'. In the same formal statement in reply to the argument of the Japanese Government with reference to the situation in Eastern Siberia, Mr. Hughes said, 'The United States has regretted that Japan should deem necessary the occupation of Russian territory as a means of assuring a suitable adjustment with a future Russian Government'.

"(2) The Resolution presented by the members of the Council other than the parties on October 22nd and accepted by the Government of China takes note of the latter's undertaking to safeguard the lives and property of Japanese

subjects

-3-

subjects in reoccupied areas and invites it to attach neutral representatives to Chinese authorities charged with the task. The Chinese representative further assured the Council that the Chinese Government 'is willing to examine in the most conciliatory spirit here and now any proposals for extending the system of neutral officers or with the help of the League of devising any other arrangements on the spot to guarantee the safety of Japanese lives and property in reoccupied territory in order to dispel any apprehension the Japanese Government may entertain as to the danger to its subjects that might result from compliance with the Council's Resolution'.

"If indeed it be true that as stated in Japan's note of October 26th there are only 'certain small contingents of Japanese soldiers still remaining at a few points outside the railway zone', the Chinese Government is confident that with the help of the League of Nations, means can be speedily found as suggested by the representative of China whereby these contingents of Japanese troops can be rapidly and with safety withdrawn.

"(3) The Chinese Government notes with satisfaction the emphatic denial of the Japanese Government that it has any intention to bring armed pressure to bear in its negotiations with China. But the Chinese Government feels constrained to point out that if this be the view of the Japanese Government, the only way to give effect to it is to cease to demand as a condition precedent to the evacuation of its

troops

-4-

troops that China should come to an agreement with Japan on the basic principles which are to govern the whole of future relations of the two countries.

"The Council's Resolution and the undertakings of the Chinese Government before the Council give amplest guarantees for safety of lives and property of Japanese nationals in the areas to be evacuated by Japanese troops. The giving effect to these guarantees and undertakings involves nothing more than local arrangements on the spot which can proceed pari passu with withdrawal of Japanese troops and will require as Monsieur Briand pointed out in the Council at the most only a few days. This is a matter entirely distinct from and unconnected with diplomatic negotiations between the Governments of China and Japan.

"(4) The Chinese Government shares with the Japanese Government's desire to put an end once and for all to the state of tension between two countries and ardently desires to place their relations upon a new and better foundation - one that will ensure permanent peace and friendship. It is Chinese Government's view that the first step to consummate this end is compliance with the Council's Resolution. So long as Japanese troops are in illegal occupation of Chinese soil contrary to the Council's request and in violation of Article 10 of the Covenant of the League of Nations, of Article 2 of the Paris Pact and of Article 1 of the Nine Power Treaty of Washington, neither good relations nor negotiations between the two countries are possible. The

moment

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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

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moment this situation is ended, the two countries as loyal members of the League can begin to strive by common agreement to end its evil effects.

"It is the Chinese Government's view that the only way to profit by the lesson taught by the events of the past few weeks, to reap benefits of the League's intervention and to prevent recurrence of controversies which may endanger peace in the Far East is the establishment, as has been proposed by the Chinese Government, of a Permanent Board of Conciliation and Arbitration for the peaceful and just settlement of such differences as may arise between the two countries.

"The Chinese Government repeats that the issue which requires to be first met is, as provided in the Council's resolution, the withdrawal of Japanese troops which is to begin immediately and to be completed before November 16th".

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DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

Enclosure No. 2 to despatch No. 151 of Willys R. Peck, American Consul General at Nanking, China, dated November 30, 1931, on the subject "Sino-Japanese Controversy in Manchuria."

WITH THE COMPLIMENTS OF H. T. Z. TIAU.

The Chinese Government sent on November 8th the following telegraphic note to the Secretary General of the League of Nations for transmission to M. Briant, President of the Council, in reply to his telegram reminding both China and Japan, in view of the present developments in Heilungkiang, their undertakings not to aggravate the situation.

"The Chinese Government has received Your Excellency's telegraphic communication and begs to reply as follows:

"In dealing with the invasion and occupation of various places in Manchuria by Japan, the Chinese Government has consistently relied on the efforts of the League of Nations in the hope that world peace will be maintained by the pacific settlement of the present question. It has therefore faithfully fulfilled the obligations set forth in the Council's Resolutions, especially the obligation not to resort to any aggressive policy or action so as to aggravate the existing situation, thereby contributing to the success of the efforts of the members of the Council.

"However, Japan has not only failed even to indicate her intention to abide by the recommendations of the Council but has continuously extended the scope of her military aggressions. Since September 30th Japan had, in disregard of the Resolution of the Council, progressively continued

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her unlawful actions culminating in the bombardment of Chinchow on October 8th. Since October 24th Japan has, in defiance of the pronounced wish of the Council, committed more acts of war which have considerably aggravated the situation. The Chinese representative has communicated to the Council the reports of the unfortunate events of the last two weeks, including the seizure at Newchwang of large amounts of the salt revenue of the Chinese Government.

"On November 2nd large detachments of Japanese troops advanced to the Honni River Bridge which is only 90 kilometers from the Capital of Heilungkiang. Using the bandits and rebels as their tools, the Japanese troops later crossed the river and attacked the Chinese troops. The latter who were stationed more than ten kilometers away from the bridge have been compelled to adopt the necessary defensive measures in order to repulse the attack deliberately started by the Japanese troops. The situation in Heilungkiang is most grave and Japan's intention to occupy Tsitsihar by force, thus consummating the overthrow of the established legal authority and creating a subservient administration in North Manchuria, has now been brought to full light. The Chinese Government earnestly hopes that the Governments of various Powers will immediately send representatives to observe the real situation on the spot and to secure the evidence of the flagrant violations of the Council's Resolutions by Japan.

"The Chinese Government always believes that the League of Nations is the supreme institution of the world

for

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DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

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for the maintenance of peace. It is therefore confident that the most effective means permitted by the Covenant of the League will be used by the members of the Council to stop Japan's aggressive actions and to cause her to carry out the recommendations of the Council and that particularly the labours of Your Excellency as President of the Council will be most fruitful, so that peace and justice, as a result of these efforts on the part of the League of Nations, will finally prevail."

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Lutz NARS, Date 12-18-75

-3-

for the maintenance of peace. It is therefore confident that the most effective means permitted by the Covenant of the League will be used by the members of the Council to stop Japan's aggressive actions and to cause her to carry out the recommendations of the Council and that particularly the labours of Your Excellency as President of the Council will be most fruitful, so that peace and justice, as a result of these efforts on the part of the League of Nations, will finally prevail."

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
 Department of State letter, August 10, 1972
 By Milton O. Gustafson NARS, Date 12-18-75

Enclosure No. 3 to despatch No. 151 of Willys R. Beck, American Consul General at Hankin, China, dated November 30, 1931, on the subject "Sino-Japanese Controversy in Manchuria."

Released to press November 19, 1931.

Hankin, November 19:-Commenting on the frantic efforts of Japanese propagandists to enlist the world public opinion, a high official of the National Government understood that a detailed list of Japanese aggressions in Manchuria during recent years was being compiled from the incomplete official archives rescued from Shengyen (Lukden) and other cities which, since September 18th, have been occupied by Japanese troops. Encouraged by their temporary success in New York and Paris in diverting the world's attention from Japan's waging of undeclared war, the Japanese propagandists are concentrating their big guns on China's alleged treaty violations. The following article, entitled "Japan's Policy in Manchuria," will demonstrate that the Japanese themselves are past masters in the art of gentle provocation.

In the first place, the illegal stationing of Japanese troops in Manchuria constitutes the most flagrant act of aggression, and from it has flowed innumerable lesser acts of aggression. Despite Japanese official pronouncements to the contrary, the stationing of Japanese railway guards in South Manchuria Railway area is devoid of legal basis or treaty sanction. This is conclusively proved by a careful reading of the Sino-Japanese Treaty of Peking, December 22, 1905, in which China only assented to the

transfers

-2-

transfers and assignments made by Russia to Japan under Articles V and VI of the Portsmouth Treaty, as well as the proceedings of the 1921-1922 Washington Conference. And it is interesting to recall that, unable to produce the promised necessary treaty citation, the Japanese delegate at the Washington Conference was driven to shift his ground and plead expediency.

Two months ago the Japanese Minister for War, General Minami, contended that Japan was entitled to station fifteen soldiers per kilometer of the South Manchuria Railway, or a total of 16,500, according to his reckoning. As a matter of fact, however, there are in the South Manchuria Railway area, excluding the fighting units which Japan despatched to Manchuria since September 18th, a mixed division of 14,760 men, 5,400 railway guards, 2,560 military police, 52 aeroplanes manned by 1,100 officers and men, 1,500 railway police and over 3,000 police constables attached to the various Japanese consulates in Manchuria. Thus, excluding the consular police and railway police, there are at least 23,000 men stationed more or less permanently in Manchuria and equipped for belligerent purposes.

In the second place, there is the illegal stationing of police attached to the various Japanese consulates, in spite of China's repeated protests, and which has been the source of numerous conflicts - notably the Chengchiatan Affair of August 1916 - between the Chinese and Japanese authorities. The following passage from China's reply to a demand made by Japan for the stationing of Japanese police officers in the course of the

negotiations

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negotiations for the settlement of the abovementioned
Chengchiatun Affair, may still be said to represent the
Chinese Government's attitude on this particular angle
of Japan's aggressions:-

"In regard to the stationing of Japanese
police officers the Agreement of May 25th, 1915,
provides that all Japanese subjects in South
Manchuria and in Eastern Inner Mongolia referred
to in the Agreement, shall 'OBEY THE POLICE
LAWS AND ORDINANCES AND JURISDICTION OF CHINA.'
Questions arising from extraterritorial rights were
thus provided for. Although the Japanese Minister
may give an assurance that the Japanese police
will not infringe the rights of the Chinese
police and of the Chinese local Administration,
the stationing of Japanese police (in Chinese
territory) will impair the spirit and the form of
Chinese sovereignty and provoke misunderstanding
on the part of the Chinese people to the detriment
of friendly relations.

"In regard to those Japanese police-stations
already established in Manchuria, the Chinese
Government and Local Authorities have repeatedly
protested against their presence. From investigations
made by their delegates the Chinese Government are
convinced that it was the Japanese police officers
illegally stationed at Cheng-chia-tun, despite the
protests of the Chinese Government (Cheng-chia-tun
being Chinese territory far removed from the
Railway Zone), whose action was the direct cause

of

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of the regrettable conflict. The Chinese Government can never consent to the establishment of Japanese police-stations in South Manchuria. It again protests and asks for the removal of these police-stations already established."

According to the Japanese contentions, China is guilty of treaty violations. This is not the time here to examine the validity of such an allegation, but it is pertinent to point out that while on the one hand, the Japanese Government would have China respect the treaty commitments of 1915, on the other hand, it would itself ignore the treaty provision ruling out of court any legal sanction for the stationing of such police.

In the third place, there are numerous acts of Japanese provocation in Manchuria, and some of the more important ones may be listed under the following categories:-

(1) Vicious assaults on Chinese nationals, including that of Li Shuang-chen, who was brutally attacked by a Japanese constable at Liaoyang on May 2nd of this year and finally burnt to death by the pouring of kerosene oil over his body.

(2) Illegal arrest and fatal wounding of Chinese officials, including:

(a) The killing of Chinese policemen at Tiehling on September 23, 1929, by the Japanese military police who creating disorder in a local tea-shop resented the expostulation of Chinese guardians

of

-8-

of peace - an incident culminating in the disarming of local police force;

(b) The kidnapping of the Magistrate of Pen-chihu on January 27, 1929, by the chief of the Japanese police - the local magistrate's yamen having been first invested.

(3) Destruction of local government offices - such as at Tungkow in December 1930, when Korean traffickers in morphine and other narcotics under the protection of the Japanese police destroyed the local police station; and in another case several Japanese traders, resenting the customs examination regulations, attacked and destroyed a customs sub-station in Antung.

(4) Conducting of military manoeuvres in important cities and surrounding country-side, resulting in danger to Chinese lives as well as the destruction every year of considerable crops and agricultural produce.

(5) Interference with China's military transportation, as in the winter of 1925, when Chinese troop movements were prohibited within twenty li of the South Manchuria Railway.

(6) Encroachments on China's internal administration, including:

(a) Levying of illegal taxes along the South Manchuria Railway and prejudicing China's rights of taxation, especially in regard to the collection of the stamp tax, the business tax, and match monopoly tax.

(b) Establishment of post-offices along the South Manchuria Railway, likewise the installation

of

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of Commercial telegraph and telephone lines as well as wireless and long-distance electric current systems, in utter disregard of Chinese protests.

(c) Circulation of spurious Bank of Chosen notes, of 124,000,000 yen in gold notes which were unredeemable in Japan itself, and of 5,000,000 yen in silver notes issued by the Yokohama Specie Bank; the establishment of stock exchanges in numerous cities along the South Manchuria Railway for the monopoly of special transactions; and permitting Japanese nationals to coin and circulate counterfeit currency.

(d) Expropriation of Chinese lands, unauthorized excavation of irrigation canals to the jeopardy of local farmers' lands - for example, in Shenyang, Langliao and most recently in Nanpaoshan.

(e) Disrupting of communications - e.g., on June 27, 1929, the Pei-Ling Railway was cut by Japanese soldiers and military police; the South Manchuria Railway refused in 1927 to transport materials for the construction of the Kirin-Hailung Line, and again to connect the latter railway after its completion with the Kirin-Changchun Line.

(f) Interference with the local municipal administration; as in 1925, when the streets of Shenyang were widened, the owners of Japanese buildings refused to surrender their lots but attempted to block all surveying and widening schemes.

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DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

Enclosure No. 4 to despatch No. 151 of Willys R. Peck, American Consul General at Nanjing, China, dated November 30, 1931, on the subject "Sino-Japanese Controversy in Manchuria."

Released to press November 20, 1931.

Following is translation of note telegraphed today to Chinese Minister in Tokyo and addressed to Japanese Minister in China:

"The National Government has repeatedly lodged vigorous protests with the Japanese Government and pointed out the responsibility of the Japanese Government in the matter of its violations of international law and international agreements as well as its unabated interference with China's internal administration, its presentation of unreasonable demands, coercing the authorities of the Heilungkiang Provincial Government into surrendering their political powers, its despatch of Japanese troops to Heilungkiang and their attack on Chinese troops.

"Instead of heeding China's protests, the Japanese Government has despatched heavy reinforcements into Heilungkiang, and the attacks on Chinese forces were pressed forward insistently. Beginning from noon on the 17th instant, Chinese troops were violently attacked and Japanese aeroplanes flew over Tsitsihar dropping bombs and leaflets declaring the Japanese determination to capture the Provincial Capital of Heilungkiang.

"According to the latest information, Tsitsihar has been completely occupied by the Japanese troops, showing that regardless of all consequences, the Japanese troops, after having invaded and occupied strategic centres in the

two

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two provinces of Liaoning and Manchuria, have, in open defiance of the Resolutions adopted by the Council of the League of Nations, extended their sphere of aggressive activities so that when the Council of the League of Nations was actually in session, the Provincial Capital of Chailungchian and other places were occupied by the Japanese troops. The Japanese Government must naturally shoulder the entire and grave responsibility arising out of the consequences of these acts. The National Government hereby lodges a most urgent and vigorous protest with the Japanese Government and reserves its right to present all necessary demands thereunder."

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DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

Enclosure No. 5 to despatch No. 151 of Willys R. Peck, American Consul General at Nanking, China, dated November 30, 1931, on the subject "Sino-Japanese Controversy in Manchuria."

TRANSLATION OF CHINA'S REPLY TO JAPAN'S NOTE

NOVEMBER 23, 1931.

The following note was addressed on November 23 to the Japanese Minister in China:

"I have the honor to acknowledge the receipt of Your Excellency's Note No. 74 concerning the recent riots in Tientsin. After careful perusal of the same, I must say that the allegations contained therein do not represent the situation as then actually existed. I shall again take up these allegations point by point and request Your Excellency to transmit my explanations to your Government for its serious attention.

"(1). It is alleged in the note under acknowledgment that 'the rioters attacked the Chinese-controlled area from outside the Japanese Concession, and this point was admitted by Chang Hsueh-ming, Mayor of Tientsin.' As a matter of fact, however, the rioters actually attacked the Chinese-controlled area from the Japanese Concession, and this point was explicitly made known to the Japanese Consul-General by the Chinese authorities in Tientsin. According to the depositions of the apprehended rioters, the Japanese Concession constituted their base of operations. Moreover, the Japanese Concession is situated south of the Tientsin native city, and the attack on Tientsin this time was confined to the south city, and this further evidenced by the fact that the other places contiguous with the Japanese Concession were left untouched. It is therefore entirely untrue to allege that Mayor Chang

Hsueh

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Hsueh-ming has admitted that the rioters' attack was directed outside of the Japanese Concession.

"(2). It is alleged that 'when the Chinese troops and police fired on the Japanese troops in the Japanese Concession, two Japanese soldiers and one Japanese woman were killed. Besides it is expressly provided in the Sino-Japanese exchange of notes that within 20 li of the area where Japanese troops are stationed, Chinese soldiers shall not be stationed.' Since the attacks of the rioters were directed from the Japanese Concession, the Chinese authorities being responsible for the local peace and order, could not but fire back in self-defence. It is unnecessary to inquire whether there were Japanese casualties; but even if such casualties had resulted, no definite proof has been adduced to show that such deaths were caused by the stray bullets of whichever side. Besides, the attack from the Japanese Concession by means of field guns and rifle fire likewise resulted in many Chinese casualties, and for these casualties the Japanese military as well as Concession authorities should be held responsible. In regard to the exchange of notes governing the rendition of Tientsin in the 28th year of Kuangshu (1902), the viewpoint of the National Government has been detailed in the note addressed to Your Excellency on the 14th instant, and there is no need here to go over the same ground again.

"(3). It is alleged in the Note under acknowledgment that, in regard to the thirty shells fired from the Japanese Concession into the Chinese-controlled area, 'such firing

was

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was done in self-defence; because the Chinese troops and military police had not observed the agreement between Chairman Wang Shu-chang and the Japanese Consul-General that the Chinese forces and police should be completely withdrawn by 7 A.M. on November 9, but were still stationed in the vicinity of the Japanese Concession and continued to fire at the Japanese therefrom. As a matter of fact, however, no Chinese troops were employed in the measures of self-defence adopted in the present instance. Moreover in order to prevent any misunderstanding on the part of the Japanese authorities, the Chinese police and pacantui were withdrawn to a distance of three hundred metres while the force of the rioting was abating. That however was scarcely 6:30 A.M. and the situation was getting quieter. Unexpectedly, at 6:40, thirty shells were fired by the Japanese into the Chinese-controlled area, which did not cease until an explanation thereon was demanded by the Chinese authorities. That such shelling was not occasioned by self-defence but was entirely prompted by a desire to cover and protect subsequent attacks by the rioters is therefore self evident.

"(4). It is moreover alleged that 'Mayor Chang Hsueh-ming has declared to the Japanese Consul-General that the arms confiscated from the rioters were manufactured by the Shenyang Arsenal.' As a matter of fact, the hand-grenades used by the apprehended rioters actually bore such inscription as 'made in the 15th year of Taisho' - an inscription similar to that found on the shells fired by the Japanese military into the Chinese city, - while the rifles used by

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the rioters, with the exception of those of the 38th year of Meiji, were all manufactured by the Shenyang Arsenal. Now the guns issued by the said arsenal to the Chinese forces can all be identified by special marks, whereas those seized in the recent riots contained no such marks, thus showing beyond doubt that they were newly made and taken from the Shenyang Arsenal after the Japanese occupation. This is the exact import of Mayor Chang Hsueh-ming's declaration in this regard, and the fact that it has been referred to in the Note under acknowledgment clearly established Japanese responsibility in the matter.

"(5). It is also alleged that 'although the Chinese authorities were aware beforehand of the outbreak, they did not so inform the Japanese Concession authorities nor did they request the adoption of any precautions. Besides, when the outbreak actually occurred, they wanted to shift the burden of responsibility to the Japanese, an onus which the Japanese cannot accept.' The fact that the rioting was being planned and perfected in the Japanese Concession was indeed known to Mayor Chang Hsueh-ming some days ahead, but when his assistants endeavored to arrange with the Japanese Consul-General personally for the adoption of necessary precautionary measures as well as the arrest and surrender of Chang Li, the ringleader, the Japanese authorities failed to manifest any sincerity. The Japanese should therefore be responsible for the negligence of the Japanese Concession authorities resulting in serious repercussions on the peace and order of Tientsin.

"(6). It

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"(6). It is also alleged that 'when on November 14th the liaison officers appointed by the Chinese and Japanese authorities were conducting investigations on the spot, electric wiring, machine guns, pacantui and uniformed Chinese soldiers were discovered outside the Japanese Concession. Chairman Wang Shu-chang has declared to the Japanese Consul-General that uniformed Chinese soldiers were stationed inside the Tientsin native city. There is not much distinction between the pacantui and the ordinary Chinese soldiers, and therefore the Japanese cannot tacitly agree to the violation of the above-mentioned exchange of notes.' As a matter of fact, however, it was only after representations in the interests of the local peace and order as well as the Protection of Chinese and foreign nationals made to the Japanese upon the discovery of the rioters' nefarious schemes has proved ineffectual that the Chinese authorities had to adopt measures of self-defence on their own initiative within the Chinese-controlled area. How can outsiders intermeddle with such measures? The allegation that Chinese troops were stationed in the vicinity of the Japanese troops has not been established by the liaison officers, nor was a declaration to this effect ever made by Chairman Wang Shu-chang. The pacantui is entirely different from the regular Chinese soldiers and they do not come within the scope of the 1902 exchange of notes.

"In a word, the allegations contained in Your Excellency's Note are not based on the realities of the situation, but are grounded on false impressions. The National Government cannot on any account admit them. The Japanese Government must be

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DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

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held entirely responsible for all the consequences of the recent riots in Tientsin. According to the latest reports, the Japanese authorities have not failed to withdraw all their defensive works, while the 6th police sub-station in the second area is still being occupied by the Japanese troops. The National Government hereby demands that the above-mentioned defensive works and Japanese troops should be speedily withdrawn, so that the original peaceful status may be resumed."

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DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

Enclosure No. 6 to despatch No. 151 of Willys R. Peck, American Consul General at Nanking, China, dated November 30, 1931, on the subject "Sino-Japanese Controversy in Manchuria."

TRANSLATION OF CHINA'S REPLY TO JAPAN'S NOTE

NOVEMBER 25th, 1931.

The following is a translation of China's note addressed to Mr. Shigemitsu in reply to Japan's latest Notes on the Heilungkiang situation:-

"I have the honor to acknowledge the receipt of Your Excellency's Notes Nos. 77 and 78. The Chinese Government has repeatedly protested vigorously against the Japanese hostile activities in Heilungkiang and pointed out Japan's grave responsibility thereanent. The Taonan-Angangchi Line is a Chinese railway; the right to make repairs thereto belongs entirely to the Chinese authorities, and Japan has no right whatsoever to intermeddle. However, the Japanese troops in the present instance have demanded the right to repair the Nonni River Bridge, although they had no right so to do. At the same time, a large number of troops was sent across the Nonni River bridge first to Walsing, then to Tangchih, next to Angangchi and finally to Lungkiang (Tsitsihar). The advance was pressed forward energetically and the operations were conducted on an ever greater scale. I have the honor to recall to Your Excellency's attention the most important among the outrages committed by the Japanese troops in Heilungkiang:-

"1. On October 24 Suetsuka and Sumoto, two Japanese interviewed General Ma Chan-shan, Chairman of the Heilungkiang Provincial Government, as representatives of the Commander of the Japanese Kwantung Army, and declared that

General

-2-

1 General Chang Hai-peng must proceed to Tsitsihar and that it was necessary for the Honni River bridge to be repaired. Later Hayashi, another representative of the Commander of the Japanese Kwantung Army, approached the Heilungkiang provincial authorities demanding that the Honni River bridge should be repaired within seven days; otherwise the South Manchuria Railway would undertake the repairs under Japanese military protection. As a result, it was agreed that the repairs were to be effected by the Taonan-Angangchi Railway administration.

"2. On November 2nd, Hayashi suddenly declared that the Honni River bridge would be repaired by the South Manchuria Railway under Japanese military protection, irrespective of whether or not the work could be undertaken by the provincial authorities. General Ma was also required to withdraw his troops to ten kilometers from the bridge. As a matter of fact, the Chinese troops were then stationed at Tahsing station, situated eighteen li from the bridge - a distance actually greater than that demanded by the Japanese.

"3. On the morning of November 3rd, a detachment of Japanese troops crossed the bridge and attacked the Chinese forces. On the following day, the evacuation of Tahsing station by the Chinese troops was demanded. This demand was rejected, whereupon the Japanese troops, together with bandits, attacked the Chinese position. At the same time, Japanese aeroplanes bombed the Chinese forces. On November 5th, the Japanese troops compelled the forces of Chang Hai-peng, the rebel, to take concerted action, and again attacked Tahsing.

"4. On

-3-

"4. On November 6th, the aforesaid Hayashi declared to General Ma that Japanese troops would never cease military operations unless the latter retired in favor of Chang Hai-peng. When this demand was turned down, more than one thousand Japanese troops of the newly arrived reinforcements, with the active support of these thousand odd bandits, launched a vigorous attack on the Chinese troops with up-to-date weapons. The Japanese attacking force was assisted by seven aeroplanes which dropped bombs everywhere, and scores of heavy artillery which kept up an intense bombardment, inflicting heavy casualties among the Chinese forces and civilian population.

"5. On November 8th, the aforesaid Hayashi formally informed General Ma Chan-chan to the effect that if the latter did not desire to see Japanese troops enter Tsitsihar, he should surrender his command as soon as possible, and a reply was demanded before 12 p.m. that night. At the same time, the same Japanese representative informed General Ma that the only way to avoid hostilities was for him to resign and hand over the political power to Chang Hai-peng.

"6. On November 12th, the aforesaid Hayashi, as representative of General Honjo, presented the following demands to General Ma:-

- "(1) General Ma should retire immediately;
- "(2) The Chinese troops in Heilungkiang should evacuate Tsitsihar;
- "(3) In order to ensure safety on the Taonan-Angangchi Railway, a detachment of Japanese troops should advance as far as the Angangchi Railway station.'

A reply

-4-

A reply was again demanded before 12 p.m. that night. In the meantime a mixed detachment of Japanese infantry, cavalry, artillery and air force vigorously attacked the Chinese cavalry at Wangchih and Wulinor, a point about ten li from Sanchienfang, inflicting heavy casualties on the Chinese troops as well as the civilian population. Hayashi also made it known that General Honjo was determined to cross the Chinese Eastern Railway in order to capture Tsitsihar.

"7. On November 15th General Honjo, acting under instructions of the Japanese Government, presented the following demands to General Ma Chan-shan:-

"(1) The troops commanded by General Ma should be withdrawn to the north of Tsitsihar, while those concentrated in the vicinity of Tsitsihar and Angangchi as a result of the new situation should be withdrawn to their respective original positions.

"(2) General Ma's troops should not be permitted in the future to come to the south of the Chinese Eastern Railway.

"(3) The Taonan-Angangchi Railway should be operated in the future by the railway administration free from any interference from General Ma's forces. Should any harm be done to the said railway, effective action would immediately be adopted by Japan."

"These demands were to be executed in ten days, whereupon the evacuation of the Japanese troops would be carried out as the Japanese saw fit. And General Honjo demanded a reply from

General

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General Ma before noon on the 16th instant. On the same day another representative by the name of Shiroya was despatched by General Honjo to demand that General Ma Chan-shan should at once withdraw his troops to the north of Tsitsihar. General Ma replied that the withdrawal should be simultaneously carried out by both Chinese and Japanese troops, but the Japanese representative declined. The latter then made verbal representations that General Ma should declare independence from the Chinese Government and establish a "Maintenance Association" at Tsitsihar, and threatened to attack if his demand was rejected.

"8. On November 16th, the day when the Council of the League of Nations was reconvened, the Japanese despatched heavy reinforcements to Heilungkiang in the form of several tanks, a dozen or more of aeroplanes and eight heavy artillery pieces. With these modern weapons an incessant attack was directed against the Chinese positions, both day and night. On the 18th instant a general offensive was launched throughout the entire front. While the Chinese troops were heavily engaged with artillery fire and bombing raids from the aeroplanes, a Japanese aeroplane flew over Tsitsihar, dropping bombs and leaflets informing the populace at the Heilungkiang provincial capital of the Japanese decision to capture that city. And Tsitsihar was occupied by the Japanese on the night of the 19th.

"According to latest reports, the Japanese troops at Tsitsihar have been committing numerous outrages, including murder and rapine. The pursuit of General Ma's forces was kept up, and Japanese aeroplanes are reported to be conducting

bombing

-6-

bombing raids at Lintien and other cities inflicting heavy casualties on the civilian population. Japan's encroachments upon China's internal administration, her attacks on Chinese troops, her occupation of Chinese cities and bombardment of peaceful population in Heilungkiang constitute flagrant violations on the part of the Japanese Government of

- "1. The recognized principles of International Law;
- "2. The Accenat of the League of Nations;
- "3. The Washin ton Nine-Power Treaty of 1922;
- "4. The Resolutions of the Council of the League of Nations;
- "5. The solemn declarations made by the Japanese Government on various occasions.

"Such unlawful acts in Heilungkiang in violation of international law and international agreements and involving a flagrant breach of faith on the part of Japan, are similar to and far surpass those committed by the Japanese troops in Liaoning and Kirin. It is therefore evident beyond doubt that the Japanese Government is willing to incur greater responsibility involved in those acts.

"All the above-mentioned facts are now known to the whole world as well as to the Japanese Government itself, and further explanations by the Chinese Government are unnecessary. However, in the Notes addressed on several occasions to China the Japanese Government has seen fit to distort the facts. In the beginning, the Japanese Government maintained that the Taonan-Angangchi Railway should be regarded as the property of the South Manchuria Railway and that it was quite justified for the repairs to the Nonni

River

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River bridge to be undertaken under military protection. When the Japanese Government declared that General Ma's troops had attacked the Japanese forces, thus forcing the latter to adopt counter necessary measures. Finally the Japanese Government went so far as to hold the Chinese Government responsible for not stopping General Ma's troops from resisting the Japanese attacks, and then the Japanese Government declared that its troops were compelled on November 18th to respond to the Chinese attack. All this as if the Japanese troops never indulged in any offensive operations prior to November 18th, and as if the general offensive on the 18th instant was ting in the capture of Heitsihar was made only after the Japanese troops had been compelled to reply to the Chinese attack.

When the Japanese Government skillfully distorts the facts but knows only too well the actual situation, it is really attempting to throw dust into the eyes of the world in order to camouflage Japan's aggressive activities. Since, however, justice still exists in the world, it will not be difficult for naked truths and palatable untruths to be detected.

"General Ma Chan-shan is Chairman of the Heilungkiang Provincial Government, and therefore it is his duty to protect his territory against the unlawful and aggressive actions of foreign troops - a duty comparable with that of protecting one's property against brigandage and doing one's utmost to remove the menace. The Chinese Government therefore holds that General Ma Chan-shan's action in ordering

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his troops to resist the Japanese attacks is entirely justified. The Chinese Government has every right to appoint, dismiss, reward or punish its officers, and it is absolutely unthinkable that the Japanese Government should pass judgment on Chinese officials through the medium of diplomatic documents. Since the Japanese Government has instructed and permitted General Honjo and his representative Hayashi to commit all sorts of unlawful acts in Chinese territory in violation of international law and international agreements, the Chinese Government is entitled to demand the punishment of General Honjo, the aforesaid Hayashi and other officers of the Japanese Government who have ordered such unlawful acts or failed to check such unlawful acts.

"The most urgent demand of the Chinese Government at the present moment is still the immediate evacuation of Japanese troops from Heilungkiang, Liaoning and Kirin.

"I have the honor to convey the above to Your Excellency and trust that you will be good enough to transmit the same to Your Government."

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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

DOCUMENT FILE

NOTE

SEE 893.00 P.R.Tsinan/44 FOR #63

FROM Tsinan (Meinhart) DATED Dec 9, 1931
TO NAME 1-1127 GPO

REGARDING:

Anti-Japanese display prohibited and this undoubtedly has prevented
acts of violence.

ek


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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

REGISTRATION OF CHEILOO UNIVERSITY

On November 21st Dr. Wang Shen Ming, a French returned student and former Professor in the Law College of Peking University, who is now an Inspector for the Ministry of Education, began a three-day inspection of Cheiloo University on behalf of the Ministry. After his report is made to the Ministry, it is expected that the University's application for registration will again be considered. Thus far the Chief of the Shantung Bureau of Education, Mr. So Sau Yuan, has succeeded in blocking the registration of the University. This institution may be better known under its former name of Shantung Christian University. Several American and British missionary societies united about fifteen years ago in the operation of the institution.

Respectfully yours,


C. D. Meinhardt,
American Consul.

In duplicate.

Copies to: Department in quintuplicate,
Chefoo, Nanking, Tientsin,
and Tsingtao.

800
CDM:HTC

1104
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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

DEPARTMENT OF STATE

DIVISION OF LATIN-AMERICAN AFFAIRS

FBI

Is there any basis
in fact for the
statement marked
with blue pencil
on the first page
of the enclosure
with this despatch?
df.

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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

4A
DEPARTMENT OF STATE
DIVISION OF FAR EASTERN AFFAIRS
FEB 11 1952
DEPARTMENT OF STATE
2. 10. 52

FE knows, no security.
Japanese public, however,
have observed a "human blockade"
for food" and have previously
compared their report in March
to news in the area in the area.

J. M.

MICROCOPY

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END

